

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 30,133

Wednesday January 14 1987

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West Germany
weighs up
N-power, Page 16

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Greece	100	Turkey	1000	U.S.A.	100
Hong Kong	100	U.K.	1000		
India	100				

World news Business summary

S African miners quit after tribal war

Half the 8,000 black workers at the Bhebe Gold Mine in the Orange Free State province of South Africa, have resigned or been fired after faction fighting which left eight dead and 53 injured.

Photographer held

Kidnappers seized a French photographer in Lebanon as British envoy Terry Waite pursued his latest mission to free Western hostages.

Fresh Israeli raid

Israeli planes attacked Palestinian guerrilla positions in Syrian-controlled eastern Lebanon, the fourth raid on Lebanon in 10 days.

Ambassador shot

Columbia's ambassador to Hungary was seriously wounded in an attack at his residence by an unidentified gunman.

Pope in talks

Pope John Paul and Polish leader Wojciech Jaruzelski discussed Poland's problems and Church-state relations during an unusually long private meeting which the Pontiff described as "historic".

Three die in riot

Three people were killed and 53 wounded in fresh ethnic riots in two cities of Pakistan's southern Sindh province. The ethnic riots, which killed 160 people last month, erupted during protests over the gang rape and murder of two young women.

Swamp men killed

South African security forces in South Africa's northernmost province of Natal killed 30 guerrillas of the South West Africa People's Organisation, which is trying to liberate the country, in a series of clashes that spread across the border into neighbouring Angola, a military spokesman said.

Jeng on attack

Chinese leader Deng Xiaoping criticised students who took part in recent protests and attacked two writers and an academic for trying to exploit the students.

Hotel arson charge

A maintenance worker was charged with murder in connection with the fire in which 96 people died at the Puerto Rico hotel where he worked.

Weather death toll

More than 100 people have died as a result of one of Europe's coldest winters on record, which is causing transport chaos, panic food buying and a severe drain on fuel reserves.

Chad shows POWs

Chadian authorities displayed 130 Libyan prisoners of war in a mass ceremony before diplomats, government officials and journalists.

Kohl denies swing

West German Chancellor Helmut Kohl pledged to continue policies of co-operation with Eastern Europe and denied foreign policy would swing to the right if he won this month's general election.

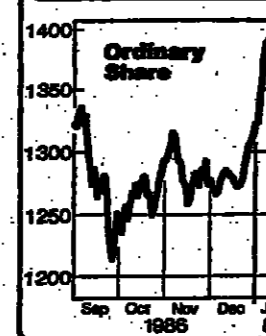
Hot tip

Dozens of people are scouring a rubbish tip in Pescara, east Italy, after a retired schoolteacher said the accidentally threw away a winning Libin (\$750,000) lottery ticket.

Airbus wins \$2bn contract

AIRBUS INDUSTRIES, European jet aircraft manufacturer, won a \$2bn order for 50 of its medium-range jetliners, which makes its maiden flight next month. The deal was generated by Guinness Peat Aviation, the Irish aircraft financing company, and takes to 437 the total orders and options for the 150-seater A-320 aircraft. Page 18

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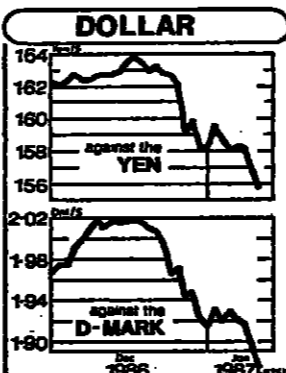
Japanese support fails to reverse sharp fall in \$

BY OUR ECONOMIC AND FOREIGN STAFF

THERE was no respite for the dollar yesterday, despite another vigorous effort to stop its slide by the Bank of Japan in Tokyo, and it fell again sharply against most major currencies.

Some profit-taking developed after the dollar's steep and rapid decline this week, but this was short-lived.

The West German Bundesbank apparently refrained from attempting to support the dollar again yesterday and one foreign exchange dealer at a major US bank in London said he had never seen the market in such a negative mood about the dollar.



In New York, concern about the apparent willingness of the US Treasury to see the decline continue undermined what was otherwise a positive mood in the bond market and on Wall Street, based on belief that the US discount rate will be cut relatively soon to counter what is expected to be a very weak economic performance in the first quarter.

The Japanese authorities were reported to have been displeased by Mr Baker's remarks last week that he looked for an orderly decline in the US dollar. "The subsequent drop in the dollar, without any apparent protest from the US authorities, infringes the spirit of October's agreement," he said.

The dollar closed in London yesterday at \$155.75 compared with Monday's closing \$156.70 and at DM 1.8755 compared with DM 1.8805, its lowest level since October 1986.

The D-mark continued to be the main recipient of funds flooding out of the dollar, fueling concern about the durability of the weekend realignment of parities within the European Monetary System.

Norway will cut oil output to support higher prices

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

NORWAY is to cut its planned North Sea oil production by around 7.5 per cent during the first six months of the year in support of recent moves by the Organisation of Petroleum Exporting Countries (Opec) to drive up oil prices.

It intends to reduce planned output by 80,000 barrels a day (b/d) with effect from February 1. The cuts will be spread across all seven oil fields now in production, Statoil, Ekofisk, Murchison, Ula, Gullaks, Oseberg and Valhall.

The Norwegian Government said the cuts would be implemented in an attempt to help stabilise the oil price and to back steps by other oil producing countries outside Opec to regulate production.

Separately, an official at Petroleum Mexico was quoted yesterday as saying Mexico planned to limit its exports to the current level of 1.35 b/d in a "spirit of co-operation" with Opec's campaign.

This week, oil prices have moved above \$19.20 per barrel for the first time for more than a year helped by growing demand as a result of the harsh winter that has hit much of Europe.

Yesterday the price for Brent Blend, the key North Sea crude, fell slightly to \$18.55-60 a barrel following the strong gain recorded on Monday because of cold weather.

The UK, the other main North Sea oil producer, has persistently refused overtures from Opec to join in production cuts, but Norway made clear last night that its reductions would also apply to the Norwegian part of fields that straddle the median line between the Norwegian and UK sectors such as Murchison and Statoil.

Oslo's attitude towards co-operation with Opec has changed significantly since the minority Labour Government led by Mrs Gro Harlem Brundtland took office in May

last year in the midst of the most serious economic crisis the country has faced for many years.

Oil has recently accounted for nearly a fifth of Norway's gross national product, more than a third of the country's exports and a fifth of the state's total revenues.

The economic crisis has persuaded the present Government to take measures to contribute to stabilising oil prices at what it calls "a reasonable level", provided that Opec itself acts effectively to bolster prices.

Norwegian oil production averaged some 850,000 b/d last year, but by December it had reached close to 1m b/d and it was expected to average some 1.05m b/d in the first half of 1987.

The cuts will reduce this level to around 970,000 b/d reducing the volume of Norway's oil exports by around 8.5 per cent.

Argentine President dispatches peace message to Thatcher

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT, IN LONDON

PRESIDENT Raul Alfonsin of Argentina has sent a verbal message to Mrs Margaret Thatcher, the British Prime Minister, believed to contain suggestions on how relations between the two countries, soured by the conflict over the Falkland Islands and fishing zones could be improved.

The message was conveyed to Mrs Thatcher on Monday by Mr Edgar Bronfman, the president of the World Jewish Congress, who disclosed that he had been acting as an emissary at a press conference in London yesterday. Mr Bronfman also said that he would relay Mrs Thatcher's reply to the Argentine President, but declined to give any further details.

The statement by Mr Bronfman, who heads an organisation representing Jews in 70 countries, appeared to contradict the categorical denial by the British Foreign Office on Monday that there had been off-

cial or unofficial contacts between Buenos Aires and London. British officials described newspaper reports to this effect as "nonsense".

Mr Bronfman said he had held talks for more than an hour with Mrs Thatcher, but stressed that they had dealt mainly with the plight of Soviet Jews and not the Falklands problem. He said he was going to Moscow next month for talks with "senior Soviet officials" and was "cautiously optimistic" that thousands of Soviet Jews wishing to leave the Soviet Union would be permitted to do so.

The immediate aim of the indirect contacts between Buenos Aires and London appears to be to reduce the danger of conflicts when the disputed new British fishing conservation zone around the Falklands, invaded by Argentina in 1982 and subsequently retained by Britain, comes into effect on February 1.

Mr George Younger, the British Defence Secretary who is on a six-day fact-finding mission to the islands, has given the 2,000 inhabitants reserved a pledge on their future. He said at the beginning of his visit on Monday: "The British Government stands absolutely by the importance of ensuring the effective future defence of the islands."

Britain also stood by its undertakings that the islanders had the right to decide on how they wished to be governed.

A Downing Street spokesman said last night that what Mr Bronfman had communicated to Mrs Thatcher could not be described as a message. Mr Bronfman had merely given her an account of what President Alfonsin had told him. Nor had anything been put down on paper.

"Dirty war" victims lawsuit
Alfonso, Page 5

IBM has not quit S Africa, say trade unions

By Philip Bassett, Labour Editor, in London

TRADE UNIONS yesterday claimed that IBM, the world's largest computer company, has in practice not withdrawn from its South African operations.

The unions base their claim on a leaked IBM management letter, which they say shows that despite the company's highly-publicised disinvestment in South Africa last October, IBM's operations in the country will continue broadly as normal.

IBM blamed its decision on the deteriorating political and economic position in South Africa. Although it set up an independent company to market IBM's products there the decision to withdraw was widely seen as a considerable blow to business confidence.

The letter, from Mr Jack Clarke, formerly IBM South Africa's long-standing managing director and who is also heading the new company, aims to give to IBM's customers and associates in South Africa "unequivocal assurances" about the continuity of supply.

Mr Clarke's letter says that: "A full range of IBM products and services will continue to be available in South Africa through the current sole supplier."

IBM is fully committed to ensuring that all customers continue to receive a level of service normally associated with the company.

All IBM commitments to customers, dealers, agents, employees and suppliers will be honoured.

"I believe," the letter says, "our customers will appreciate that there will be no change to the supply of IBM products, that there will be the same standard of excellence in service from the new company, and that the new company will be able to respond to their needs with greater flexibility than a wholly-owned IBM subsidiary. In the current international climate, such flexibility will clearly be to our customers' advantage."

It says that the new company "will hold the sole franchise for IBM in South Africa, and has a supply and service contract with the IBM Corporation."

Union officials claim that this means that the new company will be free from any US Congress decisions on South Africa with which IBM itself would have had to comply.

Continued on Page 18

City of London curbs planned by Opposition

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

A COMPREHENSIVE policy for the control and regulation of the City of London and for takeovers will be produced by Britain's opposition Labour Party early next month.

It will bring together recent work in the party on competition policy with proposals for a statutory authority to regulate City markets.

The integration of competition and regulation reflects Labour's view that making takeovers more difficult and laying down more stringent supervision of the conduct of bids will assist the interests of industry.

The timing of the launch reflects Labour's desire to make the City a major political issue in view of recent scandals. Mr Robin Cook, the party's trade spokesman, argues that the Conservative Government has helped to create a climate in which abuses flourish.

Labour will argue in detail that the onus of proof in a takeover should be shifted so that a bidder would have to justify his proposals. Official policy currently is only to block a bid if it would impede competition.

Labour would also broaden the relevant factors in assessing a bid. It would require that unusual methods of financing, bids by foreign groups, strategic or defence interests, and possible job losses would all create a presumption in favour

of a reference to the Monopolies and Mergers Commission.

The Party will also urge a statutory, though independent, regulatory authority for the City. Unlike the new Securities and Investments Board, the proposed body would be publicly funded, appointed by the Government and would have investigatory and prosecuting powers.

However, Labour stresses that the body would not be the same as the Securities and Exchange Commission in the US, in that it would not have a powerful role in secondary law-making and would not engage in plea-bargaining.

The publication of the document will be preceded by a lengthy discussion paper on competition policy from the Labour Finance and Industry Group, consisting of specialists and party supporters.

General political concerns about the recent spate of takeovers was yesterday reflected in cross-party pressure in the House of Commons to refer the bid by BTR for Pilkington, the glass-makers, to the Monopolies and Mergers Commission.

Following a non-committal reply by Prime Minister Margaret Thatcher on the issue to a Conservative questioner in the House of Commons, Mr Cook wrote to Mr Paul Channon, the Trade and Industry Secretary, urging a reference to the Commission.

Background, Page 6

Morgan Grenfell sets up review committee

BY DAVID LASCELLES IN LONDON

MORGAN GRENFELL, the British merchant bank at the centre of the Guinness affair, has formed a committee of directors - all of them senior figures in UK industry and finance - to look into its organisation and management controls, and recommend improvements.

The committee has also been asked to review the group's structure in light of its growing domestic and international business, and make whatever changes it thinks are needed.

A spokesman said that the committee inquiry "will not be a whitewash" and will not be a "whitewash". He said it would be concerned with the effectiveness of management systems, not the conduct of individuals, and would demonstrate Morgan's readiness to address its entire organisational structure, including changes already proposed in the

wake of last year's Big Bang. Its findings will be discussed with the Bank of England.

This follows the launch last month of a Department of Trade inquiry into Guinness and the ordering by Mr Christopher Reeves, Morgan's chief executive, of an internal inquiry headed by Mr George Law, the group compliance officer.

The committee, which held its first meeting on Monday, is headed by Lord Catto, Morgan's chairman, and consists of Lord Pennock, the former chairman of BICC, Sir Peter Carey, the chairman of Dalgety, Sir Kenneth Durham, chairman of Woolworth, and Mr David Palmer, the chairman of Willis Faber, the insurance broking company which

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Deutsche Bank AG
6 Bishopsgate
London EC2P 2AT
Tel: 01-283 4600

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EUROPEAN NEWS

France starts negotiations on buying Awacs

BY DAVID BUCHAN, DEFENCE CORRESPONDENT

THE French Defence Ministry has begun negotiations with Boeing for three Awacs aircraft to give France its first airborne early warning (AEW) system, thus paving the way for a joint purchase with the US company along with Britain which last month decided to buy six Awacs.

For several months, France examined the same AEW options—the Boeing Awacs and the British-developed Nimrod—as Britain, with a view to buying the same system for less money.

However, both governments hope for larger savings from collaboration in training for

and maintenance of their Awacs fleets. France is also expected to push for the same commitment to place with the buying country's industry work worth 130 per cent of the Awacs contract, as Boeing has promised Britain. SNECMA of France is already set to build, in collaboration with General Electric, the engines powering the Awacs to be sold to the UK.

Anglo-French collaboration on the joint purchase is expected to be discussed when Mr Peter Levene, the British Defence Ministry's chief of defence procurement, visits Paris today and when Lord

Trefgarne, the British defence procurement minister, meets his French counterpart on Friday in Madrid for a meeting of the Independent European Procurement Group (IEPG).

But its air force was always strongly predisposed towards the Boeing system. French officials only tested out GEC's Nimrod radar aircraft in French airspace on December 17, a day before the UK government cancelled the whole Nimrod programme in favour of buying Awacs. Since then, a French purchase of Awacs has been regarded as inevitable. The two governments have

now decided to place separate but parallel Awacs contracts within six months of each other to obtain a joint purchase discount from Boeing. This discount is expected to be small—a saving to the UK government of some £25m on the \$800m it is to pay for six Awacs aircraft, and proportionately higher if the UK Defence Ministry finds an extra £200m to buy its desired total of eight aircraft. French officials expect to gain the same unit purchase discount from Boeing.

The IEPG was revived two years ago, partly to bring the French into closer arms col-

laboration with the other 14 European members of Nato, minus Iceland. So far, members have agreed to share a common need for about 10 military systems, including a 120mm mortar, anti-tank weapons, microwave landing systems, new generations of sonar buoys and medium range surface to air missiles.

Officials believe that what the IEPG now needs to do, to sustain its impetus, is to translate some of these accords into procurement action in 1987. An early candidate for an IEPG feasibility study is considered to be sonar buoys.

Belgian pursuit of revaluation surprises EMS

BY TIM DICKSON IN BRUSSELS

AS CHAIRMAN of the meeting of European Finance Ministers which eventually agreed the 11th EMS realignment, Belgium's Mr Mark Eyskens was always expected to play a pivotal role. But his insistence on a revaluation of the Belgian franc—a move which helped prolong negotiations into the early hours of Monday morning—was without doubt the major surprise of the weekend.

Belgium's 2 per cent upward adjustment against the weaker members of the system was being interpreted in Brussels by some observers as a return to the policy of "strong money" pursued with often disastrous results between 1973 and 1982. That period was marked by heavy borrowing, high interest rates, and a loss of competitiveness which contributed to the disappearance of around 100,000 jobs in manufacturing industry.

Under the various coalitions of Mr Wilfried Martens, Belgium has since been pursuing a tough austerity programme designed to restore the economy's falling health. The question being asked is whether the time was ripe for the country to link its currency more closely to the D-Mark and the Dutch Guilder and the strong economies of its neighbours to the north and east.

Mr Eyskens himself justified the 2 per cent Belgian franc revaluation (which is automatically accompanied by a similar adjustment to the Luxembourg franc) by pointing to relative inflation rates. Belgium's inflation rate was an annualised 0.8 per cent in December or an average 1.3 per cent over 1986 and as such lies somewhere between the rate of price increases recorded over these periods by Paris and Bonn.

The Belgians were not alone in arguing that the EMS realignment was caused by the external problem of the weak dollar rather than fundamental economic divergence within Europe. Even more powerful evidence is provided by the balance of payments with Belgium's current account surplus expected by the OECD to increase by Bfr 80bn to Bfr 100bn (\$45bn) this year, while

that of West Germany is likely to fall by around 15 per cent.

Admittedly, the underlying picture is not so bright if adjustments are made for the boost from a lower oil price, but as a percentage of GDP it suggests one of the better trading performances in the European Community.

Labour costs in Belgium are also under control—largely thanks to the fall in inflation in a country where wages are indexed to prices. In wage negotiations, the Government has been committed since 1982 to keeping increases within a limit set by the average wage rises of the country's seven major trading partners. The result is that most of the gains in national income have gone directly to companies, leading to pay packets and hence consumption.

With a new wage round just getting under way—and tentative signs that moderate settlements may be possible again this year—avoiding the inflationary consequences of more expensive imports from West Germany is considered a high priority in Brussels.

That, though, is the good news. The bad news is mainly Belgium's huge budget deficit built up in the spending days of the 1970s and early 1980s. In 1983 this amounted to 12½ per cent of GNP, in 1986 it was reduced marginally to 11½ per cent, and in the wake of cuts of Bfr 200bn negotiated in the middle of last year the hope is that this can be substantially reduced to 8 per cent by the end of the current year.

The problem is that at current interest rate levels Belgium has to borrow simply to service its debt though the signs are that this "snowball" effect can now be contained.

According to Mr Philippe Braunt, economist at the Brussels stock-exchange firm of Pictet, Cusack, Van Campenhout, one of the big challenges for the Belgian authorities is to encourage an inflow of capital. "They will have to make the financial markets more sophisticated and more attractive," he said yesterday.

Greek inflation rate falls

BY ANDRIANA IERODIACONOU IN ATHENS

GREECE's rate of inflation in 1986, the first year of a two-year economic stabilisation programme introduced by the Socialist Government, reached 16.8 per cent against a target of 16 per cent, the Economy Ministry announced yesterday.

The ministry announcement expressed satisfaction that the inflation rate had been brought down by about 8 percentage points from 25 per cent in 1985, but noted that the rate remained much higher than that of Greece's competitors.

Government economists partly attribute the overshooting of the 1986 inflation target to price in-

creases registered last October in anticipation of the introduction of value added tax at the beginning of this year.

The Government imposed a three-month price freeze in early November in an attempt to minimise the repercussions of VAT on inflation.

The authorities have set an inflation target of 10 per cent for 1987. This is understood to allow for a 2 per cent increase in prices due to VAT. Independent economists, however, estimate that the new tax could cause prices to rise by up to 8 per cent this year.

Nuclear test count slows

THE NUMBER of recorded nuclear tests last year was the lowest in 26 years because of the Soviet Union's decision not to conduct the experiments, a Swedish Government agency said yesterday. AP reports from Stockholm.

Sweden's National Defence Research Institute, FOA, said it recorded 21 nuclear explosions in

1986, compared with 30 in 1985 and an annual 50 to 55 during 1979-84.

The 1986 figure was the lowest since 1960, when three nuclear devices were detonated.

Twelve of the nuclear tests last year were conducted by the US in the Nevada desert. France detonated eight nuclear devices and Britain one.

Kohl pledge to farmers on D-Mark revaluation

By David Marsh in Bonn

MR HELMUT KOHL, the West German Chancellor, yesterday defended last weekend's D-Mark revaluation as a contribution to monetary stability in Europe.

With an eye on West German farmers who have already called for action to make sure the revaluation does not damage agricultural earnings, Mr Kohl warned the EEC of possible complications in the forthcoming round of farm price meetings in Brussels.

Underlining that Bonn "understood" the problems of farmers, he said their interests would be "represented" at coming Brussels talks. Mr Kohl, comfortably ahead in the opinion polls leading up to the general election on January 25, made efforts to play down the impact of revaluation on the economy.

Calling it "acceptable and advisable," Mr Kohl said failure to act at the weekend could have led to a further long period of speculation.

At a news conference yesterday he also outlined a policy of "continuity" in West Germany's relations with its eastern and western neighbours.

He also said he supported the idea of a German-German companies helping the Soviet Union modernise its nuclear power stations.

Mr Kohl denied that last week's calls from the French Government for a D-Mark revaluation had led to any deterioration in France-German relations.

West German officials say remarks by Mr Jacques Chirac, the French Prime Minister, calling for a D-Mark revaluation caused irritation in Bonn, but the differences now seem to have been buried.

It emerged yesterday, however, that action by the West German Bundesbank to cut money market interest rates may be only modest in coming weeks. The Bundesbank is likely to take action to keep day-to-day interest rates on the Frankfurt money market steady in their present range of 4-4.5 per cent down from the speed of 4.5-5 per cent before Christmas.

Mr Gerhard Stoltenberg, the West German Finance Minister, said on Monday he hoped a "limited fall" in West German money market rates would follow the EMS realignment.

However, he ruled out any immediate cut in the discount or Lombard rates—currently at 3.5 per cent and 5.5 per cent respectively—saying he fully recognised the Bundesbank's reasons for not wanting to make any change in its leading interest rates.

West German reluctance to cut interest rates was one of the basic reasons triggering off last week's massive speculation within the EMS.

Prospective heavy outflows of funds from West Germany which are likely to accompany the unravelling of speculative currency positions against the French franc will ease the Bundesbank's efforts to rein back excess growth in money supply.

The Bundesbank's money stock—the main yardstick of money supply—has grown by nearly 9 per cent over the past 12 months, well above its 1986 target of 2.5-3 per cent. Reaching this year's target of 3-6 per cent announced by the Bundesbank last month, will imply a steep deceleration in the growth of the aggregate stock in the next few months—a task which has already been complicated by the New Year inflows.

Jaruzelski and Pope hold talks

BY JOHN WILES IN ROME

POPE JOHN-PAUL II and Gen Wojciech Jaruzelski, the Polish leader, had a 70-minute meeting in the Vatican yesterday, which the Polish Government hopes will lay the ground for improved church-state relations in Poland.

The general is believed to have extended the formal invitation for the Pope's visit to Poland in June at this, their third encounter since 1981.

Since the discussion went on somewhat longer than expected, it is thought the two men—the general smiling, the Pope stern-faced at their initial greeting—covered a good number of the weighty topics currently preoccupying them.

Afterwards, a Vatican spokesman described the discussions in

the Pope's library as "serious, clear and thorough." Points of general had dealt with Polish social problems, relations between church and state, and questions of international peace.

Asked if he was satisfied with the meeting, Gen Jaruzelski replied for a Polish audience, stressing his presence in the city of Roman Catholicism: "I am always satisfied at each meeting with His Holiness."

This meeting is particularly important for me because it is taking place in the Vatican, during my visit to the Vatican and on the eve, one could say, of His Holiness' visit to Poland.

The Pope emerged to greet the members of the Polish delegation, which included the

general's daughter, Monika. He wished all a happy New Year, but refrained from any comment on the meeting.

It is thought likely that the Polish Communist leader again raised the question of establishing relations between Poland and the Holy See—a move the Vatican has resisted for fear Warsaw might then downgrade its contacts with the Polish bishops.

Later, on the second day of his three-day official visit to Italy, Gen Jaruzelski went on to talks with Italian businessmen and then for separate discussions with Mr Gianni Agnelli, president of Fiat, on the proposed \$1bn (\$714m) car plant project for Poland which has been agreed in most details



Pope John-Paul shows Gen Jaruzelski pictures of the Sixtine chapel in a book which he gave him as a gift.

Moscow looks for 'new impetus' at Geneva

BY PATRICK COCKBURN IN MOSCOW AND WILLIAM DUFFLORE IN GENEVA

THE SOVIET decision to upgrade its leadership of Moscow's arms control team in Geneva was aimed at giving "a new impulse, a new dynamism" to the negotiations with the US, Mr Vladimir Petrovsky, the Soviet Deputy Foreign Minister, said yesterday.

Mr Petrovsky, who confirmed that Mr Yury Vorontsov, First Deputy Foreign Minister, and until recently ambassador to Paris, would head the delegation, said Moscow was determined to move ahead "in all seriousness and responsibility" at the nuclear arms reduction talks which resume tomorrow.

Accusing the US of attempting to return to former posi-

tions on arms control, Mr Petrovsky said that solutions should be based on the outline agreement reached at the October summit in Reykjavik between President Ronald Reagan and Mr Mikhail Gorbachev.

The two leaders came close to agreeing to eliminate strategic nuclear weapons over the next 10 years and remove all medium-range nuclear arms in Europe. But their talks finally broke down over Mr Reagan's refusal to abandon his Strategic Defence Initiative (SDI), the project for a space-based defensive system.

The Soviet Union continues to make the abandonment of

SDI, with the exception of laboratory research, a condition of an overall agreement on nuclear arms control.

The appointment of Mr Vorontsov was "a good signal," Mr Max Kampelman, the chief US negotiator, said in Geneva yesterday on his arrival for the resumption of the negotiations. Mr Kampelman has been appointed a special counsellor to the State Department in response to the Soviet proposal to upgrade the delegations.

But he hoped the Soviet Union understood that the next substantive move in the talks had to come from them. It would be highly unfortunate if Moscow made the miscalcula-

tion that the US would set differently as a result of a domestic problem over the Iranian arms scandal, Mr Kampelman said.

He saw opportunities for progress in the common ground reached in Reykjavik, although Mr Reagan had claimed on Monday that the Soviet Union had backedtracked from some important points.

Among the agreements on which the US delegation wanted to expand, Mr Kampelman said, was a 50 per cent reduction in strategic offensive arms over five years, which would leave each side with 6,000 warheads and 1,600 delivery vehicles.

Turkish bank fears discounted

By David Barford in Ankara

SEVERAL Turkish banks have been warned by the Treasury and central bank since 1984 to improve their asset position or increase their capital, the Undersecretary of the Treasury and Finance, Mr Yavuz Camerli said in an interview yesterday.

However, he denied that any warnings had been issued in the past year, and discounted press reports that one or more of Turkey's smaller banks might be in serious difficulties.

"Our financial reporting system has been greatly improved since the new banking law was passed in 1983," Mr Camerli said. The central bank now had an early warning system. There was weekly supervision of the performance of the banks and a regular monthly review conducted jointly by the central bank and the Treasury.

An unspecified number of banks had been sent warning letters, giving them a timetable of commitments to meet. Shortage of capital is the main problem," he said, "and we have told banks on occasions that we would freeze new credits by them unless they are adequately covered. But we don't ask them to do everything in one month."

His words will bring some reassurance to what has been a very nervous market in recent weeks. Several of Turkey's smaller banks which have made handsome profits in recent years on trade finance and similar operations have been unfavourably affected by the squeeze on foreign exchange here for most of the past year.



1987 good reasons to see Thailand this year

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Pentagon's interest has concerned Europe, writes Peter Marsh

US cloud over space station

REPRESENTATIVES of 13 West European nations met in Paris tomorrow to discuss whether renewed interest by the Pentagon in using a proposed international space station to finalise an agreement to develop collaboration between the US and Europe in developing the base.

The meeting, a working party of the European Space Agency, will consider the implications of a US government review of plans for the \$12bn station, which the US is due to build by the mid-1990s in partnership with Western Europe, Japan and Canada.

The review, prompted by the US military, has caused a month-long postponement of negotiations on building the structure, which is intended to be primarily a civilian facility.

In turn, this has led to fears that plans for an overt military use of the base, possibly for activities related to the Strategic Defence Initiative (SDI), could make agreement less likely.

Negotiations on this issue, due to be finalised by the spring, have already slipped by several months and proved more difficult than expected. The main stumbling blocks have been a desire by the other countries to be treated as something more than junior partners in the venture and to have the right to organise activities on the base independently of the US.

According to observers, the possible military involvement in the space station could well

add a further complexity to the negotiations. "If the Defence Department wanted to have a major say in running the station, it could make it very difficult for the Europeans to finalise an agreement," said Dr Bhupendra Jasani, a space policy analyst at the Stockholm International Peace Research Institute in Sweden.

President Ronald Reagan unveiled plans for the structure three years ago, at the same time inviting the other countries to join the programme. The station is scheduled to accommodate about six people for up to three months at a time, with \$50m of the construction cost contributed by the US.

It is intended to act as a servicing platform for satellites and to house laboratories for experiments in areas such as low-gravity materials processing.

At the time of Mr Reagan's announcement the Pentagon showed little interest, arguing that the jobs for which it required people in space could be handled adequately by the space shuttle.

Although the military have never ruled out using the station for scientific experiments, the National Aeronautics and Space Administration was careful to state three years ago: "There is no direct linkage between the space station and current or projected military programmes."

Since 1983, however, the shape of the US space pro-

gramme has changed dramatically, mainly due to the impact of the Challenger disaster last January. As a result of this, missions of the three remaining shuttles are suspended until early next year.

Still more important from the Defence Department's viewpoint, escalating costs have forced it to mothball indefinitely a \$30m launch pad at the Vandenberg Air Force Base in California from which the Pentagon was to have conducted its own shuttle operations. At the same time, the Pentagon's requirements for putting people into space have increased as a result of plans for an intense space research programme connected with the SDI.

This sequence of events may have convinced the Defence Department that it should raise its profile in the international discussions about the use of the station. The main US agencies involved in the talks with the other countries have been NASA and the State Department.

According to the Pentagon, its policies regarding the station are essentially unchanged. "We have no specific plans for the station," said a Defence Department spokesman. "But we want to reserve the opportunity to conduct scientific experiments on the station and to ensure nothing is foreclosed by the negotiations with the US's allies."

The countries involved in the space station talks with the US are, in general, reluctant to speculate about the impact of the US review until they are told of its results during meetings scheduled for next month.

Mr Frederic d'Allest, director general of the French space agency (CNES), which provides the European Space Agency, said the review posed "additional problems" for the international discussions. But he had "no major worries" that the main points of an agreement between the US and Western Europe would fall to be thrashed out as scheduled.

FINANCIAL TIMES
Published by The Financial Times (Europe) Ltd, 100 Broad Street, London, E.C.2, and, as members of the Board of Directors, F. Barlow, R.A.P. McKee, G.T.S. Dwyer, M.C. Gorman, D.E.P. Patten, London.

Printer: Frankfurt-Druckerei-Druckerei-GmbH, Frankfurt/Main. Editor: R.A. Harper. Frankfurt/Main. Circulation: 54,000 Frankfurt am Main, 1.0 The Financial Times Ltd, 1986.

FINANCIAL TIMES, USPS No. 100640, published daily except Sundays and holidays. US subscription rates \$35.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 57th Street, New York, N.Y. 10022.

EUROPEAN NEWS

Big freeze threatens East Europe's economic plans

BY LESLIE COLITT IN BERLIN

EAST EUROPEAN countries from the Baltic Sea to Romania reported widespread disruption in transport, energy and industrial production, as a result of continued bitter cold and blizzards. The severe winter storms and night-time temperatures ranging from -18C to -26C threaten to wreak havoc with this year's ambitious economic plans in the region.

Tens of thousands of miners, soldiers and civilian helpers worked around the clock in the open east brown coal mines of East Germany, Poland, Czechoslovakia and Romania to free frozen mining equipment and railway tracks of ice and snow.

Low-energy brown coal is used to generate most of East Germany's electricity, and

THE POLISH authorities have revealed that the price they pay for Soviet oil, which makes up 88 per cent of annual domestic consumption, has fallen by 11 per cent, writes Christopher Bobinski in Warsaw.

The price drop, the first since the mid-1970s, from roubles 172 (\$175) a tonne last year to roubles 153 (\$156)

dynamite was needed to unblock movable railway track in the strip mines. Jet engines were turned on to defrost carloads of coal frozen in railway wagons waiting to be unloaded at power stations.

Nearly 4,000 wagons with frozen anthracite coal were

a tonne in 1987 reflects last year's fall in the world oil price. Within Comecon, the Soviet oil is negotiated on the basis of the average of the world oil price taken for the previous five years—or 1982 to 1986 in this year's case.

Since 1980, the price Poland has paid has risen by 87 per cent. The increased cost of

oil, as well as that of natural gas, has been an important factor in contributing to the rouble 5.2bn debt Poland ran up in the 1980s with the Soviet Union.

Imports of natural gas, oil and petroleum products from the Soviet Union make up just over 50 per cent of the value of that country's sales to Poland.

Western diplomats in Romania reported that food supplies—arriving even in normal conditions—tightened noticeably in Bucharest and other areas. All but buses and official cars have been banned from the streets of the Romanian capital.

Public transport and private

cars were largely immobilised by drifting snow in Hungary, where many factories reported production losses. A hundred and thirty communities in North Eastern Hungary are entirely snowbound. Rail transport was brought to a standstill in Slovakia and 253 trains were halted by drifting snow throughout Czechoslovakia, where power cuts were frequent.

The East German news agency, ADN, said the port of Rostock, which handles 25 per cent of East Germany's foreign trade, was partially closed. A number of factories lost production and 16,500 consumers were cut off from electricity by fallen power lines.

The rail link between Hamburg and Berlin was rendered

impossible by snow, and canals to West Berlin used for bulk transport, were icebound. The city, however, receives much of its fuel from East Germany and has stockpiled oil and coal for several months.

Reuters adds from Moscow: At least 77 people were reported dead in the Soviet Union where officials said it was the coldest January since 1950. The Tass news agency reported that avalanches in the mountainous southern republic of Georgia had killed 29 people and rescue teams were continuing search operations.

In Leningrad, the temperature was -35°C, the coldest since records were started in 1743.

Last-ditch effort in Genoa to avert crippling port strike

BY ALAN FRIEDMAN IN MILAN

OFFICIALS of the Genoa port authority and Communist trade union leaders were last night making last-ditch efforts to head off a potentially crippling strike tomorrow.

The tense negotiations between Mr Roberto D'Alessandro, chairman of the port authority, and leaders of the CGIL union, which represents more than 3,000 dockworkers—more than 90 per cent of the workforce—came six weeks after the start of labour troubles in Genoa. These threaten to undo nearly three years of restructuring and modernisation of the port which was once a leading Mediterranean shipping centre.

Mr D'Alessandro, a former executive at Fiat, Pirelli and Zanussi, has worked since 1984 to privatise and relaunch the port. There were no strikes during the 33 months to December, but now the Communist union is refusing to agree new working arrangements.

The two other leading Italian

unions, the CISL and UIL, have already accepted the plan, which will bring Genoa out of 1950s-style "gang methods" into the modern world of containerised shipping.

The CGIL has called on Mr Bettino Craxi, the Prime Minister, to intervene. He seems unlikely to do so, however, having picked Mr D'Alessandro for the job three years ago.

Genoa has already lost more than \$5m worth of container business since the labour troubles started last month. If the Communists continue their disruptions, the port's goal of breaking out of loss this year could be placed in jeopardy.

One port official said last night that the struggle was only partly about the working arrangements. "What is really at stake here is the power and influence of the Communist workers' co-operative which is upset that it can no longer call the shots at Genoa, as it used to in the old days," he said.

Japanese leader has talks in Berlin with Honecker

BY OUR BERLIN CORRESPONDENT

THE JAPANESE Prime Minister, Mr Yasuhiro Nakasone, yesterday met Mr Erich Honecker, the leader of East Germany on his first visit to that country.

He leaves East Berlin for Yugoslavia today and will end his East European tour in Poland. Mr Honecker visited Japan in 1981 and returned with high hopes of forging closer economic links.

Yesterday's talks centred on trade relations between the two

countries, which withered after a promising surge in the early 1980s. Bilateral trade reached \$357m in 1983 but fell to \$181m in 1985, with a substantial surplus for Japan.

Japanese producers have been reluctant to co-operate closely with East European state companies, which are perennially short of hard currency. The Japanese, however, have financed several luxury hotels for hard-currency visitors to East Germany.

Struggle in Ireland over budget

By Hugh Carnegie in Dublin

IRELAND'S Fine Gael Labour coalition today embarks on its final attempt to agree a budget for 1987, with ministers from the two parties still some way apart on the key issue of spending cuts.

If they fail to reach agreement, the Government, elected in November 1982, will fall before the end of the year, and a general election will be held in February. Even if they do agree, the budget has little chance of getting through Parliament where the coalition is in a minority.

Today's cabinet meeting will centre on the level of spending cuts needed to meet the coalition's targets for this year of a current budget deficit equivalent to not more than 7.4 per cent of gross national product and Exchequer borrowing of 11.8 per cent. This task was made more difficult by overruns which pushed 1986 results well beyond those levels.

Dr Garrett FitzGerald, the Prime Minister, and his 10 Fine Gael ministers want significant cuts in social welfare, health and education spending to meet the targets, arguing that the already very high tax base cannot be extended any further.

Labour's four ministers, led by Mr Dick Spring, the Deputy Premier, believe the Government has gone far enough in cutting social spending and would favour "selective" tax increases or revision of the deficit and borrowing targets.

Officials from both parties acknowledge that the chances of a budget being agreed are diminishing. The Government must produce a book of estimates, outlining departmental spending for 1987, seven days before the budget is due on January 28, so time is fast running out.

If Labour, as the junior partner, pulls out of the coalition over the next few days, Dr FitzGerald may carry on to present a Fine Gael budget as Parliament does not resume until budget day.

Even though it would certainly be voted down, it would stand as the party's manifesto for dealing with the country's deep economic problems.

Leslie Colitt reports on moves to make bankers more responsive to profitability Hungary tackles reform of banking system

HUNGARY has launched Eastern Europe's first profit-oriented and competitive commercial banks this month as part of a major reorganisation of the banking system. The aim is to make those responsible for the allocation of financial resources more responsive to profitability and thus force industry and agriculture to stand on their own feet, rather than depending on state subsidies.

Five new commercial banks will compete to provide loans to companies in every sector of the economy. They are expected to compete mainly in terms of the services they offer rather than interest rates, which will still be set by the National Bank of Hungary. As

Hungarian companies have been assigned to one of the five new banks for the first six months of this year. Thereafter, the banks will have to compete for business. Their starting point, however, is decidedly unequal.

well as forming consortia to share business risks when granting large loans, the five banks will be able to create an inter-bank money market, to meet their clients' needs.

The National Bank, which until now has combined commercial bank functions with those of a bank of issue, will continue primarily as a central bank. It will retain its monopoly of foreign exchange, the exclusive right to conduct foreign debt transactions and to regulate the domestic money supply.

It will also, through what Mr Matyas Timar, its president, describes as "open market methods," direct and regulate the activities of the commercial banks.

To begin with, Hungarian companies have been assigned to one of the five new banks for the first six months of this year. Thereafter, the banks will have to compete for

business. Their starting point, however, is decidedly unequal.

The Hungarian Credit Bank, for example, has been assigned most of the leading companies which account for two thirds of Hungarian industrial output. Moreover, the bank's president, Mr Sándor Demján, former president of Hungary's most successful retail chain, Stalco-Coop, happens to be a leading member of the Budapest Communist Party. Whether the other banks will be able to compete against such an influential rival is open to question.

Apart from central bank control, the commercial banks will be subject to supervision by the Finance Ministry and the state will retain a majority share in all of them.

Companies will be permitted to become shareholders, although as this might be them permanently to one bank, the effect could be to undermine the competition between banks that the system is intended to foster.

Individual Hungarians will not, at this stage, be able to buy shares in the banks, though it is envisaged that one day they may do so, much as they now buy 11 per cent company bonds to beat inflation. This, however, would require significant changes in the law which, as in other Communist countries, does not permit individuals to own companies.

The new two-tier system, based on ideas which have been evolving in Hungary for more than a decade is intended to make the allocation of financial resources more efficient. By separating state disbursements and investments from commercial bank loans, the authorities hope to expose those allocating resources to the financial consequences of their decisions.

This at least is the theory. In practice the new commercial banks appear unlikely to have sufficient scope to make much impact. They will have no more money available for urgently needed modernisation of industry and infrastructure than did the National Bank when it had a monopoly on such time state disbursements and investments are set to rise 5 per cent to Forints 215bn (\$3.19bn) this year.

The pattern of the last six years is not encouraging. Since 1980, while state investment has fallen by 22 per cent, loss-making heavy industry and mining have been devouring an ever-increasing share of state subsidies to the point where a quarter of the state budget now goes toward propping up loss-makers.

The Government's policy of transferring earnings from profitable to unprofitable companies prevents the efficient ones from accumulating adequate investment funds.

About Ft 9bn of investment capital has been raised since 1984 by the state disbursement company bonds to other companies and to the public. But this is only a drop in a bucket compared with the nearly Ft 1,600bn which the Government spent on supporting lame ducks in 1985.

Mr Bela Csikós-Nagy, an influential Hungarian economist, advocates direct foreign investment in Hungary. It is the increased borrowing in the West which last year boosted the country's net debt to \$7.4bn.

But Western companies have shown less confidence than Western banks in Hungary's abilities to overcome its present considerable economic difficulties.

Banking confidence was further undermined this month by the opening in Budapest of a new Hungarian commercial bank with Western participation—Unibank. Capitalised at Ft 1bn (\$20bn), it is jointly owned by the International Finance Corporation (IFC—an affiliate of the World Bank), DG Bank of West Germany and

GZB, the Austrian Co-operative Bank, each of which hold a 15 per cent share, and a number of Hungarian banks and organisations which have taken up the remaining 55 per cent.

The setting up of Unibank represents the first investment in a Comecon country by the IFC, and Hungarian officials certainly see it as a vote of confidence.

It follows the establishment last year of a commercial bank in Budapest jointly owned by Citibank of New York, the majority shareholder, and the Central Exchange and Credit Bank of Hungary.

Like Citibank, Unibank may deal in both forints and Western currencies but it is not licensed to grant loans to individuals. It will accept deposits from co-operatives and state-owned companies and will finance trade as well as providing medium- and long-term investment loans.

But while Western banks are moving in, most Western com-

panies are insisting that they want to see evidence of a few key economic reforms before they will contemplate investing heavily in joint ventures.

In particular, they want to see proof of differentiation in wages and a reduction in subsidies to loss-makers—reforms which the Hungarian leadership has long resisted for fear of social unrest.

While Mr Miklos Nemeth, the new head of the Economic Policy Department of the party's central committee, insists that these two reforms must be implemented and blames the leadership for its retreat in the face of "social pressures," most Hungarian economists and officials agree that the leadership under Mr Janos Kadar will proceed slowly and very cautiously.

For reform has become something of a dirty word among the many Hungarians who care less about the problems of



Mr Janos Kadar: cautious leadership

than about the problems of reconciling spiralling prices with a fixed income.

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The Financial Times survey is published a survey on the above on Wednesday, February 4, 1987

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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The content, size and publication date of survey in the Financial Times are subject to change at the discretion of the Editor

OVERSEAS NEWS

Ivory Coast success heads for crossroads

BY PETER BLACKBURN IN ABIDJAN

THE Ivory Coast, regarded as a model for economic development in west Africa, is approaching a crossroads as it attempts to restructure its economy and move towards self-sustained growth, according to a confidential World Bank report.

Although the bank says that "remarkable results" have been recorded and the economy stabilised after four years of economic adjustment, it warns that serious social, agricultural, industrial and financial constraints still need to be overcome if the country is to achieve durable growth.

Failure would not only be a severe blow to the credibility of the World Bank and International Monetary Fund in Africa but could also threaten political stability in one of the staunchest African allies of France and the West.

The Ivory Coast is regarded as a "favourite son" by many multilateral and bilateral donors and, unlike certain other African states such as Zaire, has received massive financial support to carry out economic reforms.

These have included sharp cuts in public expenditure, restructuring of state corporations, promotion of private, especially export-oriented,

enterprise, trade liberalisation and greater incentives for farmers.

The World Bank has pumped in aid worth some \$1.5bn, most of it since 1980. It recently approved a third structural adjustment loan worth \$250m, focusing on reforms in the agricultural and energy sectors.

In order to accommodate the growth in its operations the bank moved in 1985 into purpose-built offices costing nearly \$3m in Abidjan's exclusive Cocody district.

The IMF has also provided solid support with four loans worth SDR 732.8m (\$611m) since 1981. Its current two-year agreement, which expires mid-1988, continues financial adjustment measures.

Despite the financial improvement, the Ivory Coast still faces a "difficult outlook," according to the Fund. Heavy debt service, vulnerability of public finances to fluctuations in world cocoa and coffee prices and the slow response to industrial reforms are the main concerns.

The Ivory Coast is also the main beneficiary of French aid in black Africa, receiving nearly \$200m in 1986. French Prime Minister Mr Jacques Chirac's choice of the Ivory Coast for his first foreign trip last April, only three weeks after his nomination, shows the

importance the French Government attaches to Ivorian relations.

Ivory Coast also used to be a favourite with commercial bankers until it was obliged, after a series of setbacks culminating in a serious drought, to reschedule its external debt in 1983.

However, a four-year rescheduling from the London Club of commercial creditors last year shows it is still favourably viewed.

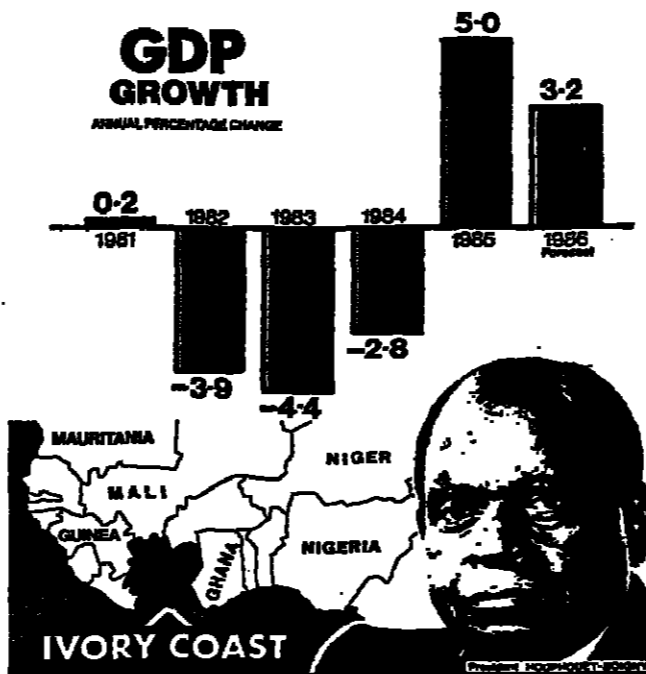
The Ivory Coast also became the first African country to obtain a multi-year rescheduling from the Paris Club of official creditors in 1986.

Both groups were encouraged by signs that economic reforms were starting to yield positive results. The country started to climb out of several years of recession with 5 per cent real growth in 1985, and inflation reduced to 2 per cent. More modest growth of around 3 per cent is forecast in 1986 as weaker world commodity markets reduce cocoa and coffee earnings.

But in spite of these encouraging signs the World Bank warns that underlying constraints in the social, agricultural and industrial sectors need to be resolved during the next five years if the country is

to achieve self-sustained growth. Implementation of the World Bank's reforms has to some extent been hindered by the exodus of expatriates, mainly French, technical advisers over the past couple of years due to the country's financial difficulties.

Unlike most other African leaders, President Houphouët Boigny has made extensive use of foreign experts, mainly teachers and technical advisers in government ministries, since independence from France in 1960.



Commenting on the structural reforms first introduced in 1981, one Western aid donor said: "It was a painful decision for the Ivory Coast to cut its coat to match its cloth. It would be a pity if it slipped back into its former lifestyle," characterised by budgetary overspending, misallocation of resources and too high external borrowing. Failure to carry through the reforms and resume durable growth could kindle explosive social tensions, Western diplomats here believe, and make the maintenance of political stability a much more difficult task for the ageing President's eventual successor.

S African forces kill 56 Swapo guerrillas

By our Johannesburg Correspondent

SOUTH AFRICAN and locally recruited Namibian forces crossed the Angolan border to launch a series of raids against South West Africa Peoples Organisation (Swapo) guerrillas in southern Angola over the past few days in which 56 Swapo and 6 defence force soldiers were killed.

The South African military headquarters in Windhoek said helicopters and mobile land forces were used in an attempt to forestall the annual wet season infiltration of Swapo guerrillas operating from Angolan bases.

The raids have come late to the war zone in northern Namibia this year and intelligence reports showed small concentrations of guerrillas in a shallow zone north of the Namibian-Angolan border where most of the fighting took place. Last year the security forces claimed that 645 Swapo guerrillas were killed by security forces compared to 589 in 1985. Defence force casualties were estimated at roughly 5 per cent of Swapo fatalities.

Swapo is recognised by the United Nations as the "sole representative of the Namibian people".

Faction fighting cuts S African goldmine workforce by half

BY ANTHONY ROBINSON IN JOHANNESBURG

HALF THE 8,000 strong black labour force at the Beatrix gold mine in the Orange Free State has either resigned or been sacked following the outbreak of tribal "faction fighting" last weekend which left 8 Basotho miners dead and 53 miners injured.

Gencor, the mineowners, said that 400 workers had been dismissed for carrying offensive weapons. The figure indicates, for the first time, the scale of the bloody fighting which has induced a further 3,500 miners to resign and return to their homes in Lesotho, the Transkei and Ciskei.

The latest outbreak of factional fighting follows the death of over 60 miners at the end of last year when fighting on ethnic lines broke out at several mines, most severely at the Vaal Reefs complex owned by Anglo-American Corporation.

Union and management officials are still investigating the causes of the latest conflicts which the National Union of Mineworkers blames on the migrant labour system and the single sex hostels organised on tribal lines.

Gencor believes that the specific origin of the outbreak at its Beatrix mine was a fatal

stabbing incident outside mine property a week ago. Local management and representatives of the Lesotho and Transkei tried to persuade workers not to leave, but failed. The company estimates it will take at least two months to replace the lost workers and up to 150,000 tons of ore may be lost as a result.

Beatrix, a new mine which is a sub-division of the Buffelsfontein complex, produces about 170,000 tons of ore a month of an average grade of 6.5 grammes/ton giving around 1,105 kg of gold bullion.

Mr Mohamed Vally, acting general secretary of the nation's largest anti-apartheid group, has been detained under the Government's emergency powers, AP reports from Johannesburg.

Mr Vally, who had been in hiding on and off for about two years, was picked up in Johannesburg on Monday evening, other members of the United Democratic Front (UDF) movement said. Mr Vally has served as the UDF's acting general secretary since Mr Popo Molefe, the permanent holder of that office was arrested and charged with treason along with 21 other activists in 1985.

Deng makes first public attack on protesters

BY ROBERT THOMSON IN PEKING

THE Chinese leader, Deng Xiaoping, in his first public comments on the student protests, yesterday criticised those who took part and attacked two writers and an academic for trying to exploit the students.

Most protesting students openly supported Deng and his reform programme, but the Chinese leader told Mr Noboru Takeshita, the visiting secretary-general of the Japanese Liberal Democratic Party, that the protests showed the students lacked political guidance.

The Chinese leader also accused three party members — Fang Lihui, an astro-physicist, Wang Ruowang, a writer, and Lin Binyan, a journalist — of encouraging students to advocate the "total westernisation" of China. The three have become the scapegoats in the party's campaign against "bourgeois liberalism."

Speculation continued in the Chinese capital yesterday on the whereabouts of Hu Yaobang, the Communist Party General Secretary, who was "too exhausted" to meet Mr Takeshita. Mr Deng had an opportunity to clear up the mystery surrounding Mr Hu when the visiting Japanese politician asked for his best wishes to be given to the party boss, but Mr Deng simply said "thank you."

Diplomats doubt Hu is in immediate political danger, though it is uncharacteristic of him to miss a meeting with a visiting dignitary. A party spokesman questioned on Mr Hu's condition said only that he was "not in good health."

The future of Zhu Rongji, the propaganda chief, is still in doubt. The Chinese press yesterday reported a meeting of senior propaganda officials but did not mention him. The attending officials said publishing had become a "battleground" for socialist culture and ideology.

Meanwhile, the South China



Deng — student protesters want too far

Morning Post, a Hong Kong newspaper, has published extracts from a speech by Deng Xiaoping containing protests delivered by Deng Xiaoping at a meeting of senior officials two weeks ago. He is reported to have ordered: "When necessary, we must deal severely with those who defy orders. We can afford to shed some blood. Just try as much as possible not to kill anyone."

It is unclear why the Government has chosen to concentrate on the writer, Wang Ruowang, and journalist Lin Binyan, in its quest to sacrifice a few wrong-doers to the altar of ideology. Both have been regularly accused in the past of writing too much about the "dark side" of communist rule, but neither poses a threat to the party.

The present political infighting will certainly affect the jockeying in preparation for a crucial Communist Party conference in the autumn. It has long been thought that Deng would retire at the conference, and Hu Yaobang has been the favourite to take his place.

However, Deng yesterday told Mr Takeshita that "it seems I have to continue to work." He said he had wanted to retire several times, but his requests had been turned down.

Iraqi troops fail to expel Iranians from bridgehead

BY OUR MIDDLE EAST STAFF

IRANIAN forces yesterday maintained their foothold near Shalameh, south east of the city of Basra, but showed little sign of being able to advance forward from their bridgehead on the west side of the Shatt al Arab which was established last Friday.

They still had not impinged upon Iraq's heavily fortified defensive positions, according to Western intelligence reports. The situation was described as one of stalemate on the ground.

At the same time it became clear that the Iraqis had made little or no progress in dislodging the invaders despite a claim by Lt Gen Abdul Jabbar Muhain in Baghdad that most of the territory seized by the Iraqis had been "purged."

He told a news conference in Baghdad that the Iraqis were pinned down in a stretch of marsh land about three miles long and roughly half a mile wide.

That, as it happens, was roughly the same area which the Iraqis conceded as being occupied on Sunday.

Nevertheless, General Muhain claimed that "a decisive victory is imminent after which the Iraqis will be rendered helpless." Iran, meanwhile, reported another night of heavy fighting. Tehran Radio said the invading force was continuing its advance towards pre-determined targets.

General Abdul Wahid Mahmoud Towhqi was among the Iraqis killed, according to the

A French freelance journalist, Mr Roger Anquet, was seized yesterday outside his apartment in the Baouche district of West Beirut yesterday but his colleagues, a French patriot, Mr Paul Marchand, fought off the gunmen and escaped. Our Middle East Staff report.

There was no immediate claim of responsibility for the abduction which brings to six the number of French citizens held hostage in Lebanon.

The two journalists had earlier aimed the early morning activity of Mr Terry White, the Archbishop of Canterbury's personal emissary, who later expressed his regrets about the kidnapping. It occurred as Mr White started another mission aimed at securing the release of Americans and other hostages held in Lebanon.

Islamic Republic News Agency (Irna).

Baghdad was struck by an Iranian missile, the second Soviet-manufactured Skud B to be launched against it since the latest offensive five days ago. Irna said it was fired at the city's trade centre.

Iraq struck back with another wave of air raids on Isfahan, Dezful and Qom, the religious centre.

Irna reported that one person was killed and nine were wounded in the attack on Isfahan.

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THE DEPARTMENT OF FORENSIC SCIENCE has identified the first suspect in the investigation into the death of a man who was found dead in a car in the south of England. The man, who was 35, was found in a car in the south of England. The man, who was 35, was found in a car in the south of England.

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UK NEWS

Kinnock sacks arts spokesman over BBC clash

BY JOHN HUNT

MR NEIL KINNOCK, the Labour leader, has dismissed Mr Norman Buchan, as the party's spokesman on the arts, after a dispute over the control of the BBC and the other broadcasting organisations.

Mr Buchan, a left-wing MP was sacked at a four-minute meeting with Mr Kinnock yesterday, at which a sharp exchange of views occurred. In his place, Mr Kinnock has appointed Mr Mark Fisher, aged 42, also a left-wing MP who is being given the title of Spokesman on the Arts and Media.

Mr Fisher, a former documentary film producer and script writer, is an old Etonian and the son of former Conservative MP, Sir Nigel Fisher. Mr Buchan wanted regulatory powers over the BBC and the Independent Broadcasting Authority taken away from the Home Office and the Department of Trade and Industry and vested in Labour's proposed new Ministry of the Arts and Media.

Mr Kinnock apparently feared that this would lead to accusations that Labour was setting up a ministry of culture to dictate to the media. He insisted that the powers re-

main with the two Whitehall departments.

At the party's home policy committee meeting on Monday night, he pressed amendments removing Mr Buchan's proposal from the policy document which commits a Labour government to set up the new ministry. The committee approved Mr Kinnock's amendments by a vote of 10 to 6.

But at yesterday's confrontation, Mr Buchan made it clear to Mr Kinnock that he still intended to campaign for the policy of the regulatory powers being vested in the ministry.

Mr Buchan emphasised that he did not wish to interfere with the artistic freedom of the BBC. But he argued that his scheme was essential to ensure fair access to new technical developments, particularly satellite TV. He did not want them dominated by "the Murdoch and the Maxwells".

According to Mr Buchan, he reminded the Labour leader that this policy was endorsed by the party's annual conference and therefore he would continue to reiterate it. Mr Kinnock told him he could not do so from Labour's front bench.

Unions prepare IBM target

BY PHILIP BASSETT, LABOUR EDITOR

THE TRADES union congress (TUC) should co-ordinate attempts in the UK to unionise IBM, the world's largest computer company, to prevent damaging inter-union competition for members, a leading electronics union official said yesterday.

The suggestion came at a specially-convened two-day international trade union conference which agreed a series of aims and actions to try to establish or increase unionisation in the mainly non-union company.

Mr Tim Webb, national electronics officer of the white collar union

ASTMS, acknowledged that there was now fierce competition for members, especially in the high technology sector, among British trade unions. But that policy would not do for IBM. Such fragmented efforts would be played off against each other by the company.

He said: "At some stage we have to sit down and form an IBM organising committee within the TUC." He was supported by Mr Larry Cohen, organising secretary of the Communication Workers of America, who said unions needed to avoid competition between themselves, and suggested instead that individ-

ual unions "adopt" an IBM plant.

The conference, organised by three international union federations - the IMF metalworkers, the PITI communication workers and FIET, representing white-collar workers - adopted a broad statement of aims maintaining that the organisation of IBM employees was of vital importance for the future of all unions.

The conference required the three union federations to:

● Act as a clearing house for information on IBM;

● Publish a twice-yearly newspaper on the company, to be distrib-

uted to IBM employees;

● Identify key target groups in IBM for organisation;

● Provide IBM employees with a wider picture of the company's operations;

● Collect where possible details of IBM's pay and conditions;

● Publicise what the unions see as the company's continuing involvement in South Africa.

The unions will also examine the company's performance in complying with OECD guidelines on multinational enterprises, and the ILO's declaration on multinationals and social policy.

Labour warms up cold weather attack

BY TOM LYNCH

THE PLIGHT of those who cannot afford heating is to be debated today in the House of Commons after a Government announcement yesterday that a £5-a-week payment is to be paid this week to all eligible supplementary benefit claimants, as a result of the severe weather.

Mr Neil Kinnock, the leader of the opposition, announced on a point of order in the Commons that today's debate, which had earlier been allocated to the opposition, would be devoted entirely to "the condition of the old and the cold and the problem of fuel poverty." It had previously

been expected that half of the time would be taken up with a debate on the economy.

Mr Kinnock's decision followed the announcement of the payment and a fierce exchange at Question Time between himself and Mrs Margaret Thatcher, the Prime Minister.

Mr John Major, a junior social security minister, told MPs that it was his "firm expectation that the trigger point for severe weather payments will be reached throughout the country this week. In view of this and the unprecedented cold weather, I wish to make it clear now that

the extra payment of £5 will be made to everyone in the qualified groups this week."

The payment is made to householders on supplementary benefit who have less than £500 in savings where a resident of the house is chronically sick or disabled, a pensioner or a child under two. It is triggered when the average temperature in any Monday to Sunday week is less than minus 1.5 deg C.

The initiative on this week's payment is thought to have come from the Prime Minister, who called Mr Major, Mr Norman

Fowler, the Social Services Secretary, and Mr John MacGregor, the Chief Secretary to the Treasury, to Downing Street yesterday morning to discuss the proposal.

Mr Major told MPs: "The Government is determined that vulnerable groups should know where they stand without delay so that they will not be discouraged from leaving their homes during this very cold spell. In the unlikely event that not all the areas reach the trigger point, action will be taken to validate the payments made."

Industrialists urge more international view of mergers

BY DAVID CHURCHILL

THE Confederation of British Industry (CBI) yesterday urged the Government to take a broader, more international view of business competition when deciding which mergers should face official scrutiny by the Monopolies and Mergers Commission.

The suggestion came during a meeting between Mr David Nicholson, president of the CBI, and Mr Paul Channon, the Trade and Industry Secretary.

The meeting formed part of the Government's current review of merger and competition policy, due to be completed later this year.

Mr Nicholson argued that the existing merger guidelines, formulated by Mr Norman Tebbit when Trade Secretary, should be "re-interpreted to place much greater emphasis on the present international scale of markets."

CBI members, he added, believed that the Government's decision on merger referrals were still being taken with too much emphasis on the competitive position in the UK market of the companies involved.

The meeting with the Trade Secretary was also used by the CBI to press again for more detailed explanations to be given by the Government over why certain mergers were referred while others were not.

Mr Nicholson argued that detailed reasons outlining the relative importance attached to the different factors involved would create the foundations for a set of general principles for merger referrals. "Flexibility would be safeguarded because the Secretary of State



Mr Paul Channon: asked to explain referrals

would retain his discretionary powers," he explained. "In breaking any precedent, however, the Trade Secretary would be obliged to explain why it was necessary."

The CBI is also keen to see merger investigations carried out by the Monopolies Commission speeded up. Mr Nicholson and other CBI officials told Mr Channon that their members could not understand why UK investigations took longer than in other countries.

To help to speed up investigations the CBI suggested the appointment of more full-time commissioners and longer secondments to the commission's staff from the private sector.

Truck production slips back to 1984 level

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

UK COMMERCIAL vehicle production last year fell back to the 1984 level - which was the lowest for 35 years - but car output remained just above 1m, thus confounding many forecasters who expected it to go below that important mark.

According to provisional estimates from the Department of Trade and Industry, only 234,800 commercial vehicles were produced in the UK last year, 14 per cent below the 1985 total and only marginally ahead of the 224,800 for 1984. Car production fell by 3 per cent compared with 1985 to 1,018m.

Commercial vehicle output last year was held back by changes within Ford, the UK's leading producer. In the early part of 1986 the company only gradually built up production of the new Transit, which replaced Britain's best-selling commercial vehicle.

At the same time, output of its Cargo truck range was hit by uncertainties generated by the merger of Ford's medium and heavy truck operations with those of Iveco, the Fi-

at-owned group, which took place in July.

The UK truck industry as a whole also suffered from an almost complete absence of export orders from the developing countries and from the steep drop in bus demand, created by deregulation, which continued into 1986.

The fall in UK car production was in sharp contrast to new car sales which last year increased by 2.75 per cent from the 1985 peak to a record 1.66m.

Output reflected the difficulties of Austin Rover, the state-owned Rover Group's subsidiary and the major car producer in the UK, which suffered a substantial fall in both sales volume (down by 31,000 to 293,900) and market share (down from 17.7 per cent to 15.5 per cent) in 1986.

However, Austin Rover did much better in export markets last year and its two large rivals, the US-owned Ford and General Motors, both increased UK car output.

Hanson offshoot plans town for 15,000

BY PAUL CHEESBRIGHT

LONDON BRICK, part of Hanson Trust, has drawn up plans for a new town to accommodate 15,000 people near Peterborough, about 45 miles north of London. The local district council is expected to take a planning decision on the scheme next month.

The township would be on a 800-acre site of reclaimed clay pits once used by the company to provide the raw materials for brick-making.

The project would be spread over 15 years, and the cost of preparing the site with the provision of roads, drainage, transport links and landscaping would be about £313m. The first phase would cost nearly £44m,

but housebuilding costs would be in addition to that.

The proposal is the latest in a line from private developers wanting to undertake major residential projects. In recent months, similar proposals have emerged for sites near Swindon and Bristol, in the west of England.

London Brick is holding talks with a major but unspecified property development company on bringing the scheme to fruition.

Only when London Brick has decided whether to go forward in a joint venture or to proceed with the development on its own will the question of funding the venture be addressed.

Virgin chief rises to balloon race challenge

BY LYNTON McLAIR

MR RICHARD BRANSON, the 36-year-old chairman of the £250m turnover Virgin group, launched a plan yesterday to make the first crossing of the Atlantic by a hot air balloon, this summer. The balloon is to be made by Thunder and Colt, using fabric from ICI designed to absorb heat from the sun and help lift the balloon.

The launch at the Royal Aeronautical Society, London, was slick, precise and convincing until Mr Don Cameron, chairman of the rival Cameron Balloons company got to his feet and challenged a stunned Mr Branson to a race across the Atlantic using a rival hot air balloon. The Virgin chairman was caught off his guard, upstaged at his own press conference.

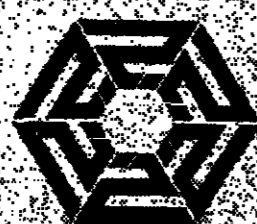
The Virgin plan was for the balloon to fly from New York, along the heavily populated Atlantic seaboard over the Atlantic, borne by the wind. Mr Cameron was unhappy

about the dangers of balloons laden with propane gas flying over populated areas. He preferred to start from Newfoundland, where previous Atlantic crossings have started.

"I offer you the challenge, if we can agree on a starting place," Mr Cameron said as he marched to the podium where sat Mr Branson and his co-pilot, Mr Per Lindstrand, the head of Thunder and Colt.

Mr Branson accepted the challenge, but said he had not given as much thought to the dangers of the overland crossing. "It is too early to say if we accept the suggested change of start," he said. "But a race would be exciting."

Virgin Atlantic Airways is funding the £750,000 needed to get its sunlight absorbing balloon designed, built and flying. Mr Branson expects the project to end up costing his airline nothing, after taking account of the sponsorship from ICI, Esso, Land Rover, Thunder and Colt and other companies.



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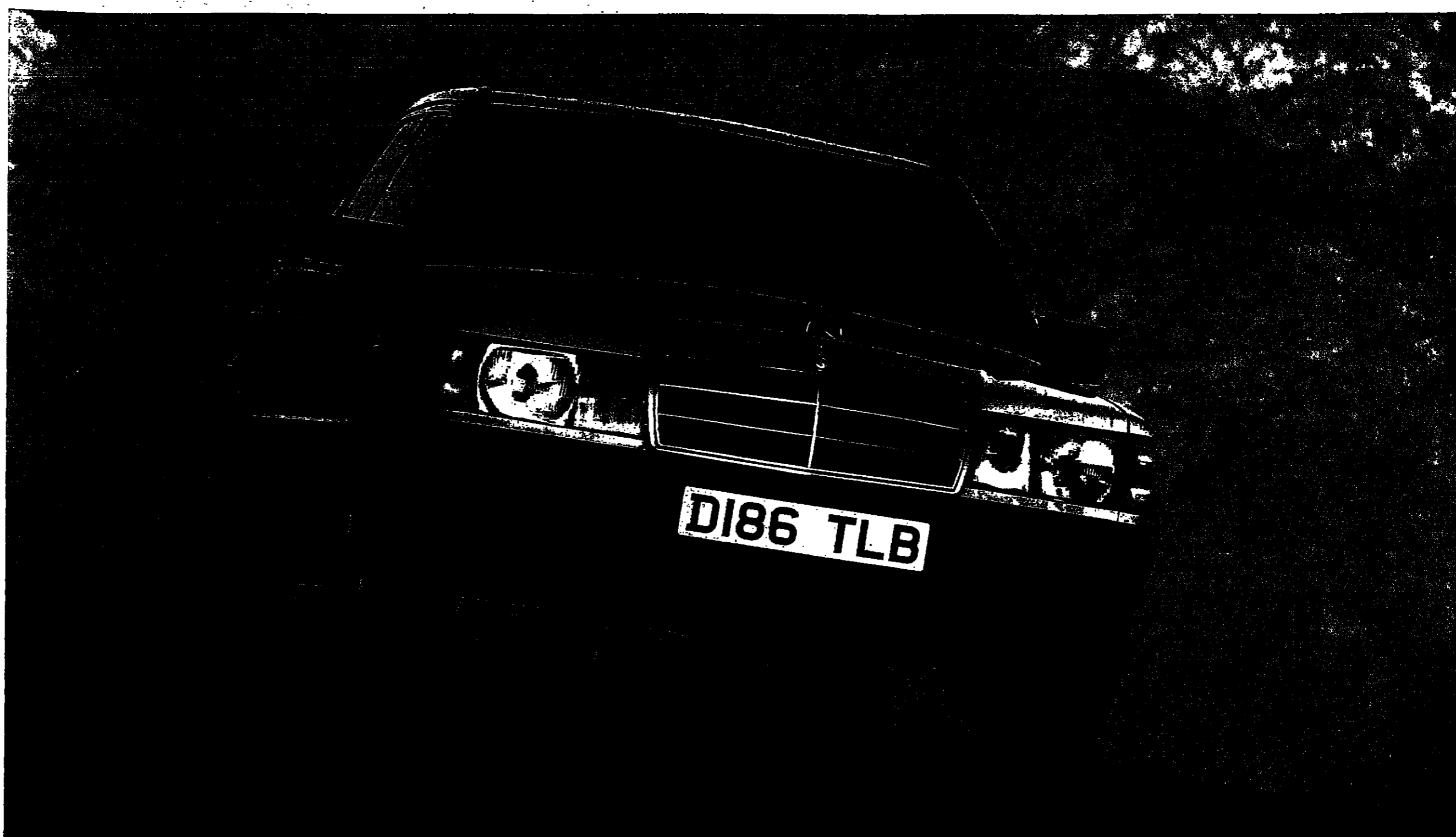
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AIR TRANSPORT

Tim Coone on Argentina's long awaited privatisation programme Austral flotation on the runway

AUSTRAL, the Argentine domestic airline which heads the list of state companies to be privatised by the Alfonsín Government, appears to have reached its final bureaucratic hurdle.

After years of fruitless efforts to return the company to the private sector, following its takeover by the Government in 1980, the airline's assets are expected to be placed on public offer within a month. "All that is required in the minister's signature," said Mr Eugenio Negri, the director of aviation in the Ministry of Public Works and Transport.

Mr Pedro Trucco, the minister, along with nearly all of Argentina's officials, is presently enjoying the sunshine along the country's Atlantic beaches, "but within three months, allowing time for the tender to be published and for the offers to be opened and considered, the company will probably be back in private hands," said Mr Negri.

This time it does seem to be for real. Last August, senior government officials were predicting that the company would be privatised "within weeks," but overlooked the extensive bureaucratic procedures that still had to be embarked upon. The presidential decree authorising the privatisation was signed last September "and since then we've been working all out on it," said Mr Mauricio Jara, the company's president.

He said that the floor price of the sale has been fixed at \$37m by the privatisation committee, substantially below the \$50m "technical valuation" of the company's assets "so as to promote adequate interest in the sale and to encourage rival bids which we hope will exceed the technical value," said Mr Jara.

Ministerial approval of the valuation is the final step before the company goes on public offer, "and the Minister has already given his verbal approval," said Mr Negri.

Austral was taken over by the Government in 1980 following a period of disastrous management by its owners which ran up debts now estimated at \$200m. Allegations of fraud and misappropriation of funds surrounded the company's collapse and takeover, and involve Mr Martinez de Hoz, the former economy minister under the military junta.

By the time the present democratic government came to power in 1983, Austral was absorbing a government subsidy of \$2m per month. Under new

management however, the company began making an operating profit within 12 months and has been ever since, according to Mr Jara. However, he declined to give details. "We have demonstrated that there is no reason why this company cannot be run profitably, and in line with the government policy to reduce its direct participation in the economy it is time to sell it," he said.

Austral is a leading case in the government's proposed strategy of privatisations. Despite three years of government commitment to privatisation however, the results are still negligible, the only notable

option purchase price is also below existing market prices for the aircraft according to one local expert.

The company presently operates 26 routes within this huge country with an average seat occupancy rate of 66 per cent. Other productivity coefficients, such as number of passengers per employee, and aircraft utilisation rates, place it well above other state owned airline Aerolineas Argentinas, and on a par with well managed small airlines elsewhere in the world.

A total of 1.5m passengers were carried in 1985, 30 per cent of all national air traffic, and Austral's planes have fre-

quently been operating 10 to 12 hours daily. Annual turnover is thought to be in the region of \$80m and operating costs are just over \$6m per month.

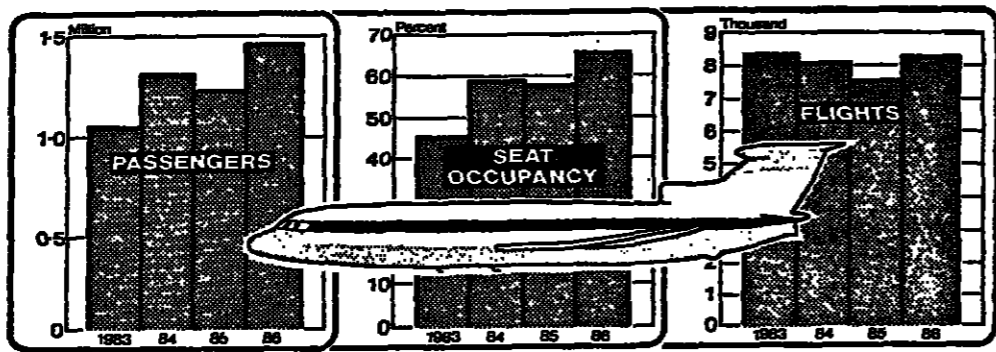
The future buyer(s) will have routes guaranteed for 15 years, and a new system of flexible tariffs favourable to the airlines, which is to be introduced later this year.

The main condition of the sale is that the new owner must guarantee to maintain an adequate service on the routes during the 15-year period, and which will require a modernisation of the fleet's ageing BAC 111s, now approaching 20 years in service.

"They are reaching the end of their useful life with us," said Mr Jara "and will gradually have to be either re-fitted with more fuel-efficient engines or replaced by more modern aircraft." The remaining life of the BAC-111s will therefore be of critical importance in the tender, and the implication that this holds for future investment needs in the company.

Both the Government and the company are remaining cagey as to who has shown interest in purchasing, but local press reports point to possible Japanese, Australian and Argentinian buyers. The main criteria for the selection of the winning tender is described by Mr Jara: "The buyer that has shown a history of successful airline management, would be the ideal, and we work downwards from there."

Foreign investment is being invited, although local capital will have to provide at least 51 per cent control according to Mr Negri. Lining up behind Austral for privatisation are government shares in several petrochemical complexes owned by the Ministry of Defence. According to the head of the air force, Fabrica Militar de Aviones



examples being a small company producing electrical machinery, and another aviation and travel company, which was formerly part of Austral.

Austral's chequered history and the controversy surrounding its privatisation into something of a political football. Previous efforts to sell it in 1981 and 1983 failed through lack of interest and another failure, or worse, a sale to inadequate owners requiring further state intervention in the future, would be a major political setback for the Government. Considerable time and care has therefore been taken to ensure that this sale goes smoothly.

The company is being sold with none of its debt. Assets include four leased DC-8 80 aircraft, eight BAC 111 aircraft, hangars, workshops and spares, as well as office equipment and computer systems installed in the company's rented headquarters and ticket offices.

"Operations will not have to stop for even 15 minutes during the transfer," said Mr Jara.

The floor price, \$37m below the price sought on previous sale attempts, is attractive at first glance. Three of the leased DC-8s have options to purchase, with \$14m already paid off. The

NEW ISSUE IN JAPAN

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January 1987

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United States Dollar Bonds — First Series (1987)

U.S. \$50,000,000

7 7/8% Bonds due 1997

Issue Price 101 3/8%

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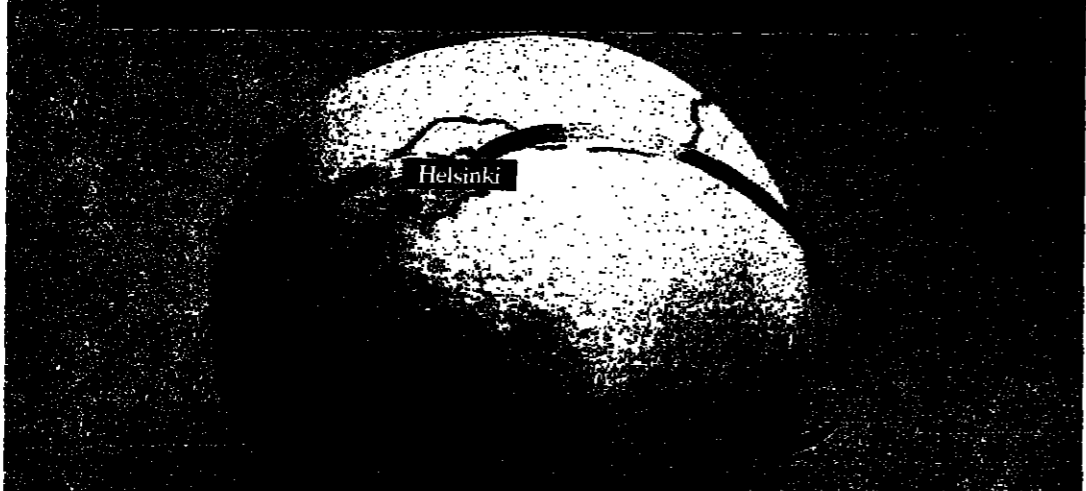
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January 1987

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Dual Currency

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First Series (1987)

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7 7/8% Bonds due 1994

Issue Price 101 3/8%

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MANAGEMENT

Uniroyal

The pressure that caused a blow-out

James Buchanan examines the break-up of the US tyres group

THERE used to be a company called Uniroyal. It was once one of the largest US industrial companies. It owned tyre factories and shoe factories, chemical plants and plantations. Last month, Uniroyal ceased to exist. In under a year, every chemical plant, plantation and factory had been sold. What began life in 1892 as the United States Rubber Company has shrivelled to a tiny corporate husk, employing a few dozen people in Middlebury, Connecticut.

Uniroyal was taken private in the summer of 1985 in a highly leveraged buy-out involving management and Wall Street investors. It was a classic display of Wall Street's readiness to pull equity capital quite brutally out of declining industries and replace it with the low-grade, high-yielding debt known as "junk bonds". Uniroyal's case, the debt proved intolerable and the business was broken up.

Five hundred people at corporate headquarters lost their jobs directly as a result and the remainder of the 20,000 people Uniroyal once employed now work mostly for corporate entities heavily indebted to banks or bondholders or are pensioners. Common shareholders did well but not as well as the Wall Street firms involved in the buy-out. We have just paid out \$18m to people who put \$15m into the buy-out," says Martin Dubilier, the Wall Street specialist who liquidated Uniroyal.

Uniroyal was not exactly a flourishing business. The US tyre industry has closed 29 plants in the past 10 years; capacity was too great as tyres have lasted ever longer, wheels got smaller and imports captured a quarter of the market. When Joseph Flannery took over as chairman of Uniroyal in 1980, the business had built a mountain of debt to diversify into chemicals but still depended on supply contracts from General Motors. With car sales weak, around \$20m in revenue was earning next to nothing.

Flannery closed two tyre plants, forced a pay cut on the workforce, reshaped the marketing of tyres and turned the tyre

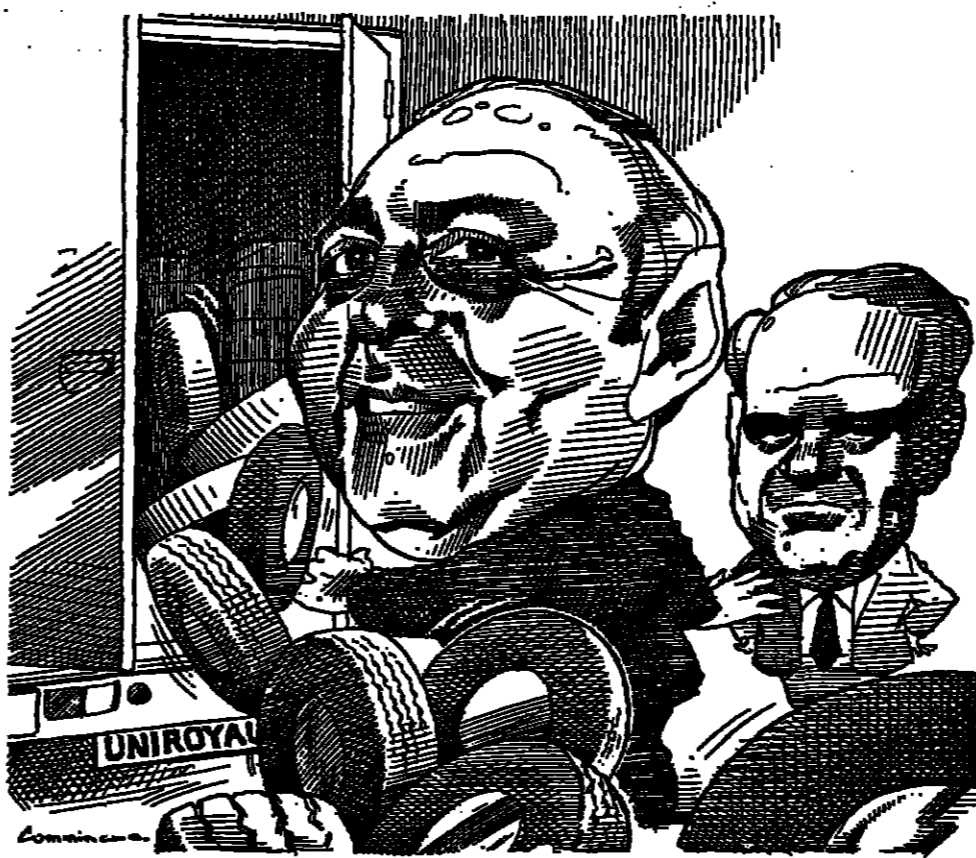
very convoluted offer that showed they had less interest in our tyre business," says Flannery. He then trawled the large Wall Street firms that specialise in leverage buy-outs, such as Kohlberg Kravis & Roberts, but ran aground largely because of the unfunded pension liabilities of about \$50m.

Dubilier says he was introduced as "a last resort of management which wanted to control its destiny." The son of an inventor, and a former assembly line worker, Dubilier's buy-out vehicle, Clayton & Dubilier, was small beer against the likes of Kohlberg Kravis. He had never attempted a buy-out on this scale. His equity investors had a war chest of a mere \$40m. "Everybody could see the parts were worth more than the whole. Carl Icahn saw that but people were scared of the pensions thing. We thought we could get that liability down."

In a leveraged buy-out, it is quite usual for the entire cash flow from operations to go towards servicing acquisition debt. But the Dubilier group had to bid at least \$22 a share, or almost break-up value, to dislodge Icahn. And Drexel Burnham Lambert, the investment bank pre-eminent in raising the sort of low-grade corporate debt needed, attached onerous conditions. Uniroyal had to repay no less than \$750m in debt by the end of 1987 or face transferring 20 per cent of the equity to Drexel's clients.

The offer prospectus in August made clear that lower working capital and a boost to cash flow would not be enough. "Effecting substantial asset dispositions is the only feasible way to retire that quantity of indebtedness by such date."

The \$500m buy-out turned Uniroyal into a reasonably well-capitalised company into a heap of junk. Shareholders' funds of \$773m collapsed to \$78m and the shareholders' register to a small group consisting of the Dubilier group, the managers, Drexel and its clients. Uniroyal had \$1,105m of bank debt and high-yielding notes and debentures. Around \$50m went into expenses and fees to Wall Street, Flannery or Icahn.



Martin Dubilier (left) and Joseph Flannery: tired of fighting off Carl Icahn

Dubilier said he looked at piecemeal disposals of tyre or chemicals, or the smaller plastics and transmission businesses — but "none would make sense."

One by one the smaller businesses were sold. Last May, the jewel in Uniroyal's crown, the chemical operation with sales of \$570m, was dispatched at a price of \$76m to Avery, a tiny coal company with sales of just \$7m that Drexel had found.

In July of last year, Uniroyal and Goodrich formally spun off their tyre operations into a separate joint venture. Goodrich, which had been trying to get out of tyres for some time, and the new owners of Uniroyal each took a special dividend of \$225m from the joint venture and loaded it with debt of \$500m and unfunded pension liabilities of \$245m.

Dubilier had already reduced the unfunded pension liability by \$300m. With the help of John Dwight, a pensions consultant from Burlington, Vermont, he says he secured the reduction by locking the youngest group of potential beneficiaries into a long-term package of corporate bonds yielding 10.4 per cent. Dwight insists firmly that

these are not yet more junk bonds, liable to refinancing at a lower rate and carrying higher risks of default. "The plan is absolutely properly funded," he says. "If I were a retiree, I would be happier that Martin Dubilier took these steps."

The remaining pension liability will be met from the Goodrich-Uniroyal joint venture's cash flow or funded, Dubilier says. Dubilier, having been used by a group of pensioners, has set aside \$75m to meet future health benefits.

It is too early to identify the future of the main businesses. Avery announced in November that it had raised over \$1m for the purchase of the chemical operation, primarily through issues of junk bonds. Avery's chief shareholder is another Drexel client, Triangle Industries, which used junk bonds to acquire National Can in 1985, multiplied its sales five-fold in the process and was the stock market's star performer that year. Analysts believe that Triangle, which consolidated its move into beverage cans with the purchase of American Can's operations last year, is using Avery and Uniroyal Chemical as off-balance sheet vehicles for expansion into chemicals. Avery says it has about \$330m in excess cash

for possible future acquisitions.

There is considerable enthusiasm for the tyre joint venture. It is the second largest tyre maker after Goodyear, with about \$2bn in sales and 19,000 employees. Given economies of scale, a further shrinkage in capacity and a lower level of imports because of a weaker dollar, analysts are confident that the joint venture can service its relatively high level of debt. "It's not awfully leveraged," says Flannery. "It made sense because they (Goodyear) are strong in the replacement market, and we in original equipment."

Some people regret the passing of Uniroyal. Flannery says: "I regret what happened to the company. Never in my wildest dreams did I think that something like that would happen. But once everything started in the spring of 1985, you just do the best you can."

Dubilier is sorry about the loss of white-collar jobs. "It really bothered me to dismantle their headquarters. That's the saddest part of this."

This is the second article in this series. The next on Unocal, will appear on Friday.

Why Scandinavians are classic exporters

BY MICHAEL SKAPINKER

MOST British managers would probably be astonished to hear that they had too much of an export mentality. How can one have too much of an export mentality? Isn't winning new markets abroad crucial to the success of British industry?

It certainly is, a conference at Ashridge Management College was told last week, but looking for export markets is not enough. What is required is a perception of the world as a global market. It is in this search that even some of the best British companies fall down.

Kevin Barham of Ashridge Management College's Research Unit told the conference that Scandinavian managers appear to have a more sophisticated approach to international markets than their British counterparts.

His conclusion is drawn from initial findings of a research project which is being carried out on behalf of the Foundation for Management Education into the ways in which successful businesses are preparing their managers for the future.

The project is looking at ten companies, six in Britain and four in the rest of Europe, which have been chosen for their consistently successful financial performance and their reputation for an innovative management approach. Ashridge has not yet identified the companies involved but they include both manufacturing and service organisations.

Interviews are being held with a cross-section of managers, including the chief executives, in each company to ascertain the sorts of challenges they expect to face in the future and how they are preparing their managers to deal with them.

Interviews have so far been completed with six British companies and with two leading Scandinavian companies. Among the issues being raised with the companies is how they are dealing with the internationalisation of business. Barham points out that a recent survey by International Management indicated that European companies in general are increasing their commitment to doing business abroad. "This includes, for example, efforts to foster a global corporate image, involvement in international alliances, sourcing more components from foreign firms, and expanding production abroad."

research project has not yet been completed, Barham said that "in most of the British organisations we have talked to the issue of internationalisation does not figure strongly in managers' talk. When discussed at all, it is usually a chief executive or a corporate planner who perceives it as an issue."

This does not mean that the companies are not aware of the need to look beyond Britain for their business, he said. "Many managers are indeed focusing on external challenges, including in particular the need to counter Japanese competition. They are generally very positive in their determination to become more market- and customer-oriented. But the impression gained is that some UK firms are still looking at the international scene with an export mentality rather than a global perspective."

The Scandinavian companies show greater evidence of such a global perspective, Barham said. "They are more likely to think internationally appears to have penetrated far more deeply into their organisations."

This drive to internationalisation was expressed by most of the managers we talked to and is to be found at all levels of management in these organisations," Barham said. "It is often the first thing that managers will raise when asked about future challenges. The contrast with the UK is partly to be explained by the fact that the small domestic markets of the Scandinavian countries have often forced them to exploit international markets much earlier in product life cycles."

"Some Scandinavian firms may also have come to the international scene more recently than have many UK firms, so it might be expected that the issue would carry some freshness and enthusiasm. Whatever the reason, the strength of the Scandinavian 'international vision' is striking," Barham said.

One of the concrete manifestations of that greater Scandinavian commitment to international trading is well-known: factories with foreign languages.

Another is giving greater responsibility to junior managers in setting up and running foreign operations. One junior manager in a Scandinavian company had been set the task of setting up from scratch a sales operation in a Third World country, employing 250 people.

TECHNOLOGY

How US business is making the most of expert advice

Europe lags behind in race towards artificial intelligence, reports Alan Cane

THE US seems set to maintain and increase its domination of expert systems, a technology of great strategic importance in both business and defence according to a major report published this week.

Europe is only lagging by 12 to 18 months in the development of commercial expert systems, it says, but relative to the US, the technology coupled with a preference for small-scale developments of limited scope, will prejudice its chances of developing a healthy expert systems industry.

Expert systems are the first commercial spin-off from over 30 years of research into artificial intelligence. They store human expertise in such a way that questions asked of the system are answered in a seemingly reasoned manner.

A laboratory study only a few years ago, they are now being used in earnest by a wide range of businesses. According to the report, over 50 of these systems are now in regular operational use in Europe. They include, for example, "Parys", an expert in personnel management installed at over 200 sites in the UK, and "Solon", which is used at 30 French sites for the production of public tender documents and "Cadbus 3", a German expert system which helps in the design of steel-framed buildings. An expert system is a combination of the computer itself, which may be specially designed, coupled with software which contains the elements of machine intelligence.

According to the report, Europe is holding its own with the US in only one area of expert systems development, the creation of "shell" software, basically model systems which can easily be modified to suit a particular application. Helix Expert Systems of the UK, for example, has a shell called "Expert Edge" used by the Bank of America to help clerical bank staff with queries about letters of credit.

Shell software apart, the Europeans are well adrift. The production of software "tools", which makes it easier

to manufacture an expert system, is dominated by US specialists like Intelliparc, Inference and the Carnegie group.

Artificial intelligence language development is also dominated by the Americans, although a French development, Le List, shows promise.

Conventional and specially built computers for artificial intelligence work is again a US province, the report says. There are only two possible European contenders in the special purpose hardware category: a special workstation built by the French company Amal which runs the two most popular artificial intelligence languages "Lisp" and "Prolog," and a computer called "Rekur" pioneered by Lim Products of the UK.

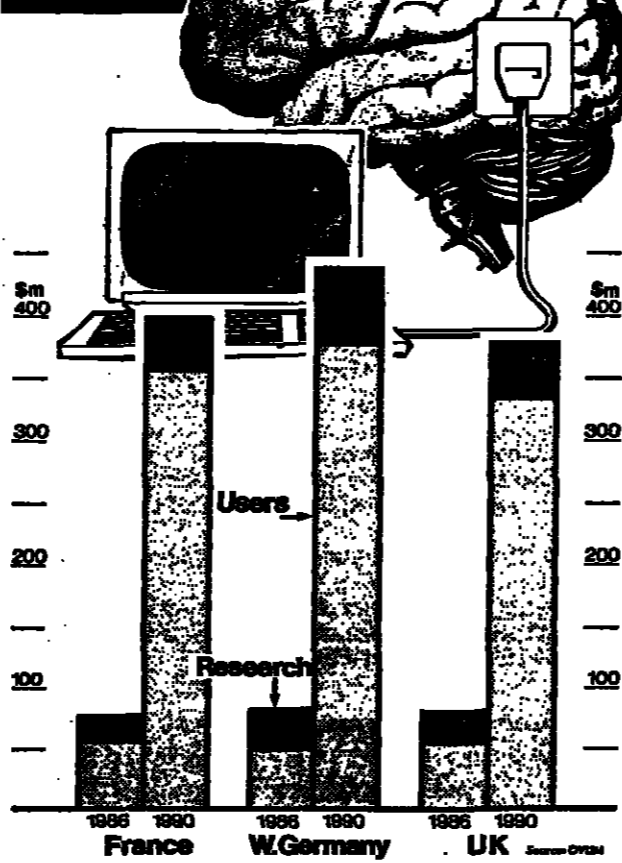
Europe's apparent inability to compete with the US on equal terms in expert systems seems to be the result of America's domination of world computing, coupled with entrepreneurial attitudes which meant that venture capital was much more readily available to US start-up companies. In addition, US users of expert systems were quick to form strategic relationships with the start-ups, including sizeable investments of capital.

Nevertheless, there has been considerable development of small scale but practical expert systems in Europe using a modest level of resources. The report warns, however: "The European view is more pragmatic, more geared towards short-term benefits."

"In the long term, the results could be serious for the Europeans. The American approach offers two major longer-term benefits which could widen further the competitive gap between American and European industry, for both users and suppliers."

It suggests that US users would be far better positioned for developing large-scale applications where the pay-off is likely to be greater and it says that the demand created by US users will increase the already commanding lead of the suppliers of large-scale expert systems development tools in the US.

INVESTMENT IN EXPERT SYSTEMS



In sectors such as finance, insurance and defence — all areas of great importance to Europe in general, and the UK in particular — the US lead may be much greater than 18 months.

In the energy business, however, Europe may be level or even slightly ahead.

Expenditure by customers on expert systems in France, Germany and the UK was about \$150m in 1984, according to the report. The total for the whole of Europe was between \$200m and \$250m, compatible with US expenditure of 12 months earlier.

Siemens, the West German electronics giant, is thought to be the largest user of expert systems in Europe with over 40 projects under way and up to 300 staff working in the area. Its developments include systems for optimising the use of a computer database, diagnosing faults in Siemens computers and designing the way process control computers should work together.

Among systems in use in the financial sector are:

• The Caisse d'Epargne Bank

Modesty is the best policy

BUILDING a full-scale expert system is likely to cost a minimum of £250,000, so start modestly, advises Systems Dynamics, a UK-based electronics consultancy.

"Do not invest heavily in specialised machines or expensive software tools until you have dabbled enough in expert systems to know what they can do," it urges.

"The first expert system an organisation builds should be seen as an investment to gain experience for future projects — a trial run. If it turns out to be a truly useful system, all the better."

Systems Dynamics lists the common pitfalls in expert system development, including the temptation to treat the system as if it was a conventional computer program and build it all in one go. Step-by-step development is essential, it argues. Prototype small parts of the system should be built to ensure the overall development is on the right course.

It warns against raising expectations within the organisation for the first project and makes it clear that deadlines should not be set for completion.

"If a system shell running on a personal computer is used," it says, "a small system of up to several hundred rules typically takes three man months."

Much of the work involved in filling out a shell consists of feeding in the information gleaned from experts in the field and devising the rules the system needs to interpret the information. In a small system, this is a very apparently meaningless way.

As a guideline, most mature expert systems have cost more than £750,000 to build — not including substantial maintenance costs. Although the initial outlay may be high, costs savings can be attractive. Digital Equipment (DEC) a leader in expert systems development has a system called Xeon (Expert configurator) which it uses for determining the best way to put together its large minicomputer systems. Xeon is said to save DEC \$10m every year.

Systems Dynamics advice is contained in a Strategic Guide to Implementing an Expert System, priced at £90 from the company on 06278 5466.

WORTH WATCHING

A quick line to Shell drawings SHELL UK Exploration and Production (Expro), the operator for the joint venture in the North Sea between Shell and Esso, is to put some 3,500 drawings currently held on microfilm on to magnetic disc using a system from Advent, a small Wokingham, UK company.

Expro engineers will be able to access any drawing quickly on a screen and keyboard terminal and carry out modifications using computer-aided design techniques. Offshore production platforms are complex structures with networks of piping, communications and power cables. Each platform is unique and its systems are recorded on "as-built" drawings. Constant reference to and modification of these drawings is needed over the years as the platforms are modified and maintained. At the moment, the process is manual, with modification of prints taken from the film and the subsequent production of new prints from new film.

The Advent system uses a US-made scanner to make the transfer from drawing to disc. A single-line head of 10,000 optical fibre ends moves across an illuminated A1 (33 x 24 inches) drawing in under 10 minutes. The light output from each fibre is turned into an electrical signal, digitised and held on the disc.

Apart from quick access and ease of modification, the system is also able to enhance a drawing's image. The £250,000 system, when complete, will be capable of storing 20,000 drawings and will be able to print 300 in 24 hours. Shell Expro believes that on average productivity will improve fourfold, compared with the present manual methods.

Japanese stuck on rust-free alloy

NIIPPON KOKAN (NKK) in Japan has developed a bonding process for joining carbide or nitride ceramics to Nimonic 80, a nickel-based alloy.

Silicon nitride and carbide offer far more resistance to corrosion than Nimonic 80, which is at present used by itself to make exhaust valves for gas turbines, for example. By applying the ceramics to the parts most prone to corrosion (the sealing face in particular), NKK expects to produce valves that will function without maintenance for 20 years. Nimonic 80 is itself a highly heat resistant material and the new combination is expected to find application in the manufacture of other high-temperature parts and equipment, in addition to its use in exhaust valves.

Show made of screen benefits

A VIDEOTAPE entitled Personal Computers in Manufacturing has been made by the Society of Manufacturing Engineers (SME) in the US. Running for 28 minutes, the tape looks at trends in technology, personnel computers at work, the anticipated advances in the computers and their peripherals. There are also interviews with industry experts and footage shot in manufacturing plants.

The tape is part of the SME series, "Manufacturing Insights," each featuring a specific manufacturing technology.

Brass rods: The race to conform

RNF METALS Technology in Wantage, UK, is to launch a research project to investigate the production of small-diameter brass rod by the Conform process, which has previously been used mainly for copper and aluminium.

The process is continuous and the machine that performs the process is cheaper than current production machinery for brass rod, which is at present made on a batch basis. It involves passing "raw" rod through a grooved wheel and sheave arrangement which produces a frictional heat and makes the rod "conform" to the groove/shoe before passing through a die.

RNF expects this alternative manufacturing route to achieve overall cost savings of 25 per cent when problems of new materials and their applications are solved.

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Elementary idea from Finland

FINNISH COMPANY Outokumpu has introduced a table-top X-ray analyser that can be used in both laboratory and shop floor environments.

Known as X-Met 820, the instrument can determine the presence and quantity of six different elements at the same time, covering everything from aluminium to uranium. The analysis can be made on liquid, powder or solid samples. (In such analyses, the sample is bombarded with X-rays and the secondary emission produced are characteristic of the elements present.)

The results of the analysis are seen on a printer, although the data can be sent to a computer for further processing.

Cornering the cabinet market

ONE of the more time-consuming tasks in making steel cabinets for industrial products, using the top corners of the unit, can be carried out automatically using a new welding rig designed from Precision Systems at St Ives, Cambridge, UK.

The design has been carried out in conjunction with an office equipment maker, but PS is in a position to produce similar units for any other interested companies.

The unit is for single operator use and has two work stations, one of which can be loaded while the other is taking place on the other. The quality of the weld produced makes subsequent grinding and polishing unnecessary. Therefore, after degreasing, the welded units can go direct to the paint shop.

CONTACTS: Advent Systems, UK, 0234 784211. SPE, US, (313) 271 1500. NKK, Japan, 3 212 7111. RNF Metals Technology Centre, Wantage, UK, 02357 2592. Precision Systems, St Ives, Cambridge, UK, 0480 67101. Outokumpu UK representatives Alind Instruments, Newbury, 0353 30346.

**FT FINANCIAL TIMES
CONFERENCES**

The London Motor Conference -Manufacturing, Components and the Aftermarket

London, 17 February 1987

The Financial Times is arranging an important one-day Motor conference to be held at the London Marriott Hotel on 17 February 1987. The meeting is timed to coincide with the Autopartac '87 Exhibition being held at Olympia, 15-17 February.

The proceedings will be chaired by Mr John Neill, Group Managing Director, Unipart Group Ltd, who will give the opening address. Other speakers will include:

Mr John Hardiman
Vice-President, Parts & Services Operations
Ford of Europe Inc

Mr Tom Farmer
Chief Executive
Kwik-Fit Holdings plc

Mr Bob Barber
Investment Analyst
Phillips & Drew

Mr Roger Pedder
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FT COMMERCIAL LAW REPORTS

Lancia opposition to Lancer trade mark fails

MITSUBISHI v FIAT
Court of Appeal (Lord Justice Fox, Lord Justice Parker and Lord Justice Giddwell): December 19 1986.

REGISTRATION of a word as a trade mark will not be refused on the ground that it is likely to cause confusion with a previously registered word, unless, having regard to the circumstances including the kind of market in which the relevant goods are sold, there is a real and not merely a fanciful risk of confusion among a substantial number of people.

The Court of Appeal so held when dismissing an appeal by Fiat SpA, Fiat Auto SpA and Fiat Auto UK Ltd, from Mr Justice Falconer's judgment upholding the assistant registrar's decision to dismiss their opposition to registration of a trade mark by Mitsubishi.

Section 11 of the Trade Marks Act 1938 provides: "It shall not be lawful to register as a trade mark . . . any matter . . . likely to deceive or cause confusion."

Section 12: "(1) subject to . . . subsection (2) . . . no trade mark shall be registered . . . that so nearly resembles [a registered] trade mark as to be likely to deceive or cause confusion."

LORD JUSTICE FOX said that Mitsubishi applied to register the word "Lancer" as a trade mark in the class for "passenger carrying motor cars."

Registration was opposed by part of the Fiat group, which had acquired the Italian sports car manufacturer Lancia SpA. Opposition was principally concerned with protection of the

mark "Lancia."

The assistant registrar dismissed the opposition and Mr Justice Falconer upheld his decision.

The Lancia mark had been in use in England on specialist motor vehicles since the early part of the century with some interruptions during the war years. It had a substantial reputation. In general it could be said that Lancia cars were widely established in the car market.

Lancia had two registered trade marks—the word "Lancia" in a device which was largely a wheel; and the words "Lancia Beta Monte Carlo".

Mitsubishi used the name "Colt" as the maker's name for its cars. There was a Colt model called "Lancer." It was common to speak of a "Colt Lancer" or to use "Lancer" in a context where it was obvious that it was a model of a Mitsubishi or Colt car.

Mitsubishi registered the name "Colt Lancer" without any objection. Lancia's concern was that the application in suit envisaged the use of "Lancer" without any reference to Mitsubishi or Colt.

The matter turned on section 11 and 12 of the Trade Marks Act 1938.

The assistant registrar stated the appropriate test under section 11 as whether the tribunal was satisfied "that the mark . . . if used in a normal and fair manner . . . will not be likely to cause deception and confusion among a substantial number of persons . . ."

He formulated the test under section 12 as whether the tribunal was satisfied "there will be no reasonable likelihood of deception or confusion among a substantial number of persons . . ."

The judge accepted the correctness of these tests and they were not in dispute.

The principles governing assessment of the risk of confusion were to be found in *Pionist* [1906] 23 RPC 774, 777 where Mr Justice Parker said: "You must take the two words, you must judge them both by their look and . . . sound. You must consider the goods to which they are to be applied . . . the nature and kind of customer . . . all the surrounding circumstances . . . what is likely to happen if each of those marks is used in the normal way . . ."

The assistant registrar and the judge considered that there was no real tangible risk of confusion if the Lancer mark was registered. The issue was whether that was right.

Usually the two marks were easily distinguishable. There was no practical risk of confusion. Phonetically, there was a possibility of confusion depending on the circumstances of their use.

The material circumstances were (1) Lancia was a word of three syllables, whereas Lancer had two. If the three in Lancia were pronounced, there was a strong differentiation phonetically.

(2) Lancer was an English word, familiar in ordinary English usage. Lancia had no meaning in English. Its connotation was Italian. A word with a known English meaning was unlikely to be confused with a word of foreign connotation having no meaning in ordinary English usage.

(3) The question of confusion could not be adequately considered for trade mark purposes save in relation to the market. The case was concerned with the market in cars. A car was an expensive piece of equip-

ment. Its purchase would usually have to be considered with some care and would be assisted in a competitive market by an abundance of brochure literature. When considering risks of confusion therefore, the purchase of a car was not to be equated with an everyday purchase over a shop counter. Nor was it likely to be purchased over the telephone. The practical risks of confusion seemed very slight indeed.

(4) Lancia asserted that the phonetic similarity of the two words would be a source of confusion by mishearing. The example was given of a cocktail party conversation designating the Lancer which was misheard or confused with Lancia.

The risk of such mishearing seemed unlikely to survive the mechanism of purchase, having regard to the nature of the goods. There must be a real, not a fanciful, risk and it must be a risk of confusion among a substantial number of persons.

Having regard to the three-syllable composition of Lancia and the nature of the market, the cocktail party example of mishearing was no more than fanciful and was not likely to extend to a substantial number of persons.

(5) There was no evidence of confusion in practice. Looking at the whole matter, there was no real tangible risk of confusion between the Lancia and Lancer marks.

The assistant registrar and the judge reached the correct conclusion on what was essentially a question of fact regarding the risk of confusion. The appeal should be dismissed.

Lord Justice Parker and Lord Justice Giddwell agreed.

By Rachel Davies
Solicitor

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THE ARTS

The Triumph of Love/Gate

Martin Hoyle



Guy Callan and Lilian Evans

Despite Voltaire's notorious judgment that Marivaux weighed butterfly eggs in scales of cobweb (but Voltaire's view of *Hamlet* as the product of the drunken ravings of a madman, a play which rules him out of court as a critic, anyway), the playwright's works increasingly reveal a sombre side, much in keeping with modern scepticism. I remember a Marivaux production in Strasbourg two years ago where the emotional cat's cradle was woven in falling darkness, a grim saraband for a society's death-throes no less than the ROC's current *Liesons Dangereuses*.

The tiny Gate Theatre Club, above a pub in Notting Hill, is presenting the first professional British production of what at first glance transports us back to the pastoral realms of mythic artifice. Princess Leonide has usurped the throne. Like Rosalind she dons man's gear and makes for the woods. Here she finds the long-lost rightful heir, reared by a philosopher and his sister, to whom she hopes to make amends. (She has conveniently fallen in love with him as well.)

Like Viola, she enmeshes both sexes. Love has a cathartic effect on the philosopher who admits that conceit and love of reputa-

tion have prompted his disdain of worldliness, and now confesses to self-contempt—a scene whose supreme irony stems from truth revealed by falsity in circumstances of deception. Guy Callan's direction might allow more dignity to the hoaxed middle-aged siblings. Certainly they are meant to have learnt the sharp lesson of unexpected truths in her and her victims. Harriet Kewell's attack underlines the ruthlessness (though she could point her lines more sharply), while Lilian Evans's sprightly maid and Malcolm James as the lost prince provide the emotional support. Besides directing, Mr Callan has translated and plays an Arlequin of almost clinical adroitness; his capering, posturing, mopping and mowing are in unhappy stylistic contrast to another, below-the-line character, the gardener, whose portrayal as African slave betrays an unease with dialogue that verges on the unintelligible.

Two share 'Drama' magazine's award for Best Actor

The quarterly magazine, Drama, on Monday announced its annual theatre awards at the headquarters of the British Theatre Association. In place of a snowbound Donald Sinden, Derek Jacobi presented the awards that Hugh Quarshie, sharing the title of Best Actor for *The Great White Hope* with Bill Fraser (for *When We Are Married*), declared he had always assumed went to the "rich, white and stupid." Tim Rice struck a more generous note by cheerfully describing himself as rich, white and stupid as he and Robert Fox, producer, accepted the Best Musical accolade for *Chess*.

The award for Best Actress was presented to Joan Plowright for her performance in *The House of Bernarda Alba*, a production designed by Elio Frigerio, shared honours with Maria Bjornson of *The Phantom of the Opera*. Alison Steadman was named Best Supporting Actress for her performance in *The Cherry Orchard* at the National Theatre. The young

writer Jim Cartwright carried off the award for Best New Play with his first piece, *Round*, about to be revived at the Royal Court; and, well in the tradition of distinguished writing, the Bush Theatre, of Shepherd's Bush in west London, received a Drama Magazine Special Award for its continuing high standard in the production of new plays.

London did not monopolise the glory. The Young People's Theatre Award was shared between the Theatre Centre, London, and the Leeds Theatre in Education team. Yorkshire also claimed distinction in Young People's Theatre Design, the awards going to Bradford's Freehand Puppet Theatre; and the Amateur Theatre Award was presented to *Pare and Dars* Theatre Company, Rhondda, Wales.

'British Art in the 20th Century' British Art in the Twentieth Century: The Modern Movement will open at the Royal Academy of Arts, Burlington House tomorrow. Second in a series of 20th century exhibitions which began with German art, it will include 300 works by 70 artists dating from 1910 to the early 1970s.

Television/Christopher Dunkley

Miss Marple's clue to success



Nigel Planer in "Filly Rich and Catnap"

The new season is now properly under way and the schedules are packed with an impressive number of new series. As usual, of course, the word "new" is slapped on to some programmes which look decidedly familiar. *Horizon*, now coming up for its 23rd year, was billed as a "New Series" last Monday, meaning, presumably, that the programmes this season are not repeats. Anyway, the opening episode, devoted to circadian rhythms, powerfully sustained *Horizon*'s admirable standards.

BBC's *Miss Marple* (Sundays) is a much more recent creation, even though Joan Hickson is so exactly right in the title role that it feels as though she has been playing it all our lives. The new two-part drama, *Sleeping Murder*, reeked luxuriously of co-production money: all that expensive location film work and whole teams of extras in authentic fifties costumes. This is yet another television drama produced with no swearing and no violence which the Grundyists would have us believe do not exist.

The "new" *Carroll Confidential* on BBC1 (Saturdays) is another known quantity, and although the series' establishment pose and the tone of working class solidarity are beginning to feel a teeny bit suspect in view of the fees which Mr Carroll clearly commands, having joined the system, he is still a welcome voice, offering some counterpoint to the predictable comedy provided by such comedians as Monaghan, Everett and Hill.

Mel Smith and Griff Rhys Jones have moved from BBC to ITV, but they, too, are pretty familiar to us now. I had hoped that somebody would start making crime programmes based on the brilliant idea of Jones's inserted into old black and white movies, but no doubt it is prohibitively expensive. Instead, for *The World According to Smith* and *Jones* (Sundays), London Weekend have adapted the idea, which they use with Clive James, of adding cod commentaries to old film clips: very much cheaper in time and effort, and still quite funny. Sometimes.

Filly Rich and Catnap (Wednesdays) is clearly poised to be a way of developing the careers of Adrian Edmonson, Rik Mayall and Nigel Planer without obliging them to continue as *The Young Ones*. But it is already clear that what they seem to see as defiantly juvenile, and we see as embarrassingly childish, is not the outcome of a particular series but part and parcel of these particular comedians. Farting, references to genitalia, and extreme violence are their stock in trade and so—regardless of the format—their most appreciative audience will continue to be drunk teenagers.

There are, however, heaps of series which really are new. For instance, the first 10 days of the year the start of three new sitcoms, though again (it is becoming worryingly prevalent) the best by miles is an American import on Channel 4, E.R., meaning the emergency room of a hospital, is scarcely breaking new ground with its mixture of farce and high drama: *Hill Street Blues*, *St Elsewhere*, *M.A.S.H.* and others have exploited the same format.

However, E.R. (Fridays) is vastly superior to both *My Husband And I* (Fridays), which is a vehicle for Mollie Sugden, here playing the person of an advertising executive, and *High And Dry* (Wednesdays), a series about Bernard Cribbins buying a seaside pier which, even in Episode 1, was looking over-stretched. Troughs must be expected as well as peaks, but it is now so long since the good ship British sitcom was on a peak that it is beginning to look as though it has gone aground.

However, there is some highly proficient drama on offer. BBC1 is presenting *Rockfield's Babies* (Fridays), the latest in a long and usually impressive sequence of productions about crime squads. Future generations may well find these series interesting not for anything they have to say about crime, which scarcely seems to interest the writers, but for the evidence they provide of changing social attitudes.

The differences between *Z Cars*, which the BBC launched 25 years ago this month, and *Rockfield's Babies* are remarkable, even though *Z Cars* was often said to be ahead of its time. Not only does *Rockfield's* little group of detectives look, and behave, more like the crooks than the cops

in *Z Cars*, but its members are young, inept, 27 per cent female and 14 per cent black. I suspect this is nearer to wishful thinking than any true reflection of reality, but I hope to devote a whole column soon to the ways in which television so often distorts reality.

Another new crime series is being offered by ITV, this one set in the even older tradition of the idiosyncratic single detective. Joining the ranks which stretch from Sherlock Holmes to Adam Dalgliesh, via such memorable sleuths as Columbo and Frank Marker, is *Inspector Morse* (Tuesdays). He drinks real ale, drives an old Jag, sings in a choir, and—a truly original touch—dreams up solutions which are highly involved and wrong. The opening episode seemed a bit too long and contrived, even by the extreme standards of this sort of fiction, but with John Thaw in the lead, Oxford settings, and—once again—high production values, judgment must be reserved.

ITV is also screening *Yesterday's Dreams* (Fridays), the latest of the divorce dramas which are now coming at us thick and fast. Teenage son is fanatically loyal to mother's new man and wants to follow him into motor mechanics. Dad is a high-powered over-scholar in an aircraft engine company and Mum is Judy Lee, who must be taking something because, while everybody else grows old, she simply grows more beautiful. Writer Peter Gibbs has already introduced some interesting secondary characters—Dad's hard-nosed boss, and his indispensable secretary—and altogether the series promises to be one of those good, middle-of-the-road dramas which British television does so well. Incidentally, there is almost as little swearing, sex or violence in this as in *Miss Marple*.

Of the series which fall less readily into categories, BBC's *Seventy Summers* (Sundays), is proving to be the little jewel I suspected: a cross between "Lark Rise To Candleford" and *Out of Town* in which personal witness is providing a fascinatingly detailed story

about one little pocket of land near Chesham. This week we heard about gleaming, dumpings with bacon at one end and jam at the other, and from a woman who said quite unself-consciously "We were 12 of us in the family. Ten of us lived..."

Most of the un-categorisable material, however, is on Channel 4. "Max Headroom" has never lived up to the promise of the original drama, and although in the new *Max Headroom Show* (Tuesdays) the computer-graphic character is being used to do more than top and tail pop videos, the idea still seems sadly wasted. Map of *Dreams* (Saturdays) is a mildly interesting attempt to get away from conventional television narrative by using aerial clips, superimposition, time-lapse photography and so on, without dialogue, to create a lot of video-impressionism. A little of it goes quite a long way.

And *The Last Resort With Jonathan Ross* is a late night chat and music show, which features as presenter a young man who may one day do the job outstandingly well. At present, he is falling into the awful habit of asking a question and then promptly interrupting the answer with a gag of his own. Nerves may be the reason, but his producer should cure him quickly before we all switch off in irritation.

The opening episode of *State Of The Art* (Sundays) was also interesting in some ways, but despite that the series promises to be significant enough to deserve a column to itself. It is not often that television even attempts to come to terms with contemporary art—*The Shock Of The New* was the last occasion and that was seven years ago—so there is much to be said.

The new year has not brought us another *Singing Detective*, but we can hardly expect that kind of thing more than once in a blue moon. Only a fortnight into 1987 we have already been offered the sort of variety which, 20 years ago, would have been stretched across six months.



Katia Ricciarelli and Placido Domingo in the Royal Opera's production of "Otello," which opened at Covent Garden last night. Max Loppert will review it in tomorrow's paper

Francesco d'Avalos/Barbican

Max Loppert

Monday night's Philharmonia concert at the Barbican Hall was a rather curious event: the London conducting debut of a Neapolitan aristocrat aged nearly 57 and musically quite unknown in this country. Francesco d'Avalos, who is also a composer (and teacher of composition at the San Pietro a Majella Conservatory in Naples), has studied with, among others, Franco Ferrara and Celibidache; and he made it clear that he is no dilettante in knowing how to control an orchestra.

The opening work, the *Zauberflöte Overture*, provides an immediate test: with those great E flat chords so sounded together? — which the orchestra and its unfamiliar conductor passed with ease. All three works on the programme were led without benefit of a score; when the last of those works is Bruckner's Seventh Symphony, a conductor's self-confidence has to be reasonably strong.

Evidently, on this occasion, it was judged, the Bruckner received a strong and confident reading. Probably nobody told the conductor beforehand that this is London's most unwelcoming

auditorium for full-orchestral fortissimos heavy with brass, otherwise he would surely have prevented the closing moments of first and last movements from crossing the listener's pain threshold. For the rest, though, the forward-moving directness of the interpretation and cleanliness of orchestration were impressive (there were only a few passing hints, for instance, in high tremolando string descants, that more rehearsal time might not have been unwelcome).

Clearly D'Avalos will have no truck with misty-eyed Austrian romanticism, with winding Brucknerian sweetness, long drawn out. There was no affectionate tapering-off of phrases, no euphonious eliding of one paragraph into the next: the manner was plain, forthright, even somewhat rough. The rhythmic momentum of the Scherzo lacked dramatic definition. The whole work exists on a plane of spiritual elevation of which this performance gave only sporadic indication. But, in a way, its honesty and frankness were refreshing—and they were plainly intentional, the result of a considered view of the music, not the product of chance.

Parikian/Milne/Fleming trio

Andrew Clements

Hamish Milne is a very different kind of pianist from Bernard Roberts, his predecessor in the piano trio with Manouk Parikian and Amaryllis Fleming. Whether his deep interest in the high Romantic repertoire will alter the slant of the trio's programming only time will tell, but it may be significant that the main work in Monday's BBC Lunchtime Concert from St John's, Smith Square, broadcast on Radio 3, was Schumann's D minor piano Trio, one of the greatest of Romantic piano trios. By the time Parikian, Milne and Fleming reached it, they were at last beginning to settle into the programme, after a rather uncomfortable account of Mozart's G major Trio, K564.

Holt's Tauromaquia/Wigmore Hall

Dominic Gill

Simon Holt is the young (b. 1958) composer whose *Rites for 10 Players* so impressed me at a London Sinfonietta concert three years ago. His new *Tauromaquia* for solo piano was given its first performance on Monday by Ian Brown, who also commissioned the work.

The title—"the art of bullfighting"—is taken from the series of etchings of the same name by Goya; but Holt's sound-world is anything but Goyaesque—a closer visual parallel would be rather some manner of tentative hybrid between Klee and Matisse. But other more obvious parallels present themselves first: some of the choral figurations have an unmistakably Messiaenish birdsong ring, while others have a more delicate and reflective Debussy-like liquidity; the spirit of Messiaen, too, pervades many of the rhythmic cells and sequences. The piece lasts just 11 minutes; and I should guess that in a wider and more pungent performance than Mr Brown's it would seem to cover greater emotional ground. The effect here was interesting, but unrewarding, but a little tame.

Ian Brown is most widely known through his chamber associations—he is the pianist of the Nash Ensemble and the Villiers Piano Quartet. It is no slight on his ensemble talent to say that he is somewhat commanding as a soloist. I did not stay for the Hammerklavier sonata in his second half; but the pair of Brahms Rhapsodies (Op. 79) and the trio of Debussy trios with which he preceded Holt's *Tauromaquia* were robust, capable, and unremarkable.

Cinderella of the Arts

Literature is the Cinderella of the arts in England, according to a report published today by the National Campaign for the Arts. New writing will suffer unless the Arts Council grant of £662,500 to literature — compared to £26.2m for drama — is substantially increased, warns the report.

Simon Crisp, director of the campaign and author of the study, stated that the grant to literature has been cut by 45.6 per cent in real terms over the last two years. "The money was spent on books which were marginal to the mainstream of publishing but often central to the development of literature," he said.

He urged the Arts Council to "beef up" its literature panel, set up new writers-in-residence schemes, establish bursaries, offer joint ventures and loans to innovative publishers, and appoint a literature director.

In an apparent coincidence, the Arts Council issued its own statement, announcing plans to appoint a literature director next month. The announcement came as the council welcomed the draft policy of its literature panel. The secretary-general of the Arts Council, Mr Luke Rittner, applauded the draft "for its commitment to re-establish a vigorous programme for literature." Proposals include the promotion of children's literature, a touring network for writers and encouragement for the development of a National Literature Centre at the South Bank.

Annalena McAfee

Arts Guide

Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

January 9-15

Theatre

LONDON

Les Liaisons Dangereuses (Ambassadors): Christopher Hampton's masterly version of Laclos's epistolary novel is sexy, witty and wise, like a collaboration between Marivaux and de Sade. Howard Davies's sell-out pre-revolutionary production for the RSC has moved from the Fitz to the Swan. Joe Lonsdale's *Les Liaisons Dangereuses* still bedding and blushing over lovers and other rituals. (RSC 6111, CC 636 1171)

Midnight (Barbican): Rarely seen Shaw, and a much underrated play, given the full RSC works by John Caird, a Polish new woman crashing into the survey conservatory in her menagerie. Joe Lonsdale's *Midnight* alongside *Les Liaisons Dangereuses* and *Les Liaisons Dangereuses*. (RSC 6111, CC 636 1171)

The Phantom of the Opera (Barbican): Spectacular but emotionally neutral new musical by Andrew Lloyd Webber emphasizing the romance in Leroux's 1911 novel. Happens in a wonderful Paris Opera ambience designed by Maria Bjornson. Hal Prince's alert, affectionate production contains a superb central performance by Michael Crawford. (RSC 6111, CC 636 1171)

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CHICAGO

Funny Boys and Dinah (Apollo Center): Facetious look at country music and down-home country life with a good beat and some memorable songs, especially one played on a hideous Chicago hit. (RSC 6111, CC 636 1171)

Starlight Express (Apollo Center): Andrew Lloyd Webber's roller-skating folly has 10 minutes of Spelbergs movie magic, an exciting first half and a dwindling reliance on indiscriminate rushing around. Disneyland, Star Wars and Cats are its influences. Pastiche score adds to its charm. (RSC 6111, CC 636 1171)

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NEW YORK

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T.S. Eliot's children's poetry set to trendy music is visually stunning and choreographically felicitous, but classic only in the sense of a rather staid and overblown idea of theatricality. (RSC 6111, CC 636 1171)

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WASHINGTON

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Wednesday January 14 1987

Dr Kohl faces the voters

GERMAN cartoonists like to spoof their country as a sleepy giant, sporting a nightcap and constantly taken aback by events, especially those abroad. One may argue about that stereotype, but it does say something about the Federal Republic and its government. The Chancellor, Dr Helmut Kohl, is less adventurous than almost all his predecessors and without their excuse for caution. That has not prevented his coalition running well ahead of the opposition in one opinion poll after another.

The coalition's successes in running the country and its economy are undeniable but, as so often, success has encouraged timidity and complacency. Last week's run into the D-Mark and the subsequent devaluation exemplify the danger.

It is doubtful whether the Social Democratic Party, the biggest opposition group, will be able to exploit these dangers on polling day, January 25. Like the British Labour Party it has done its electoral chances no service by being unable to reconcile the wish to appeal to middle-of-the-road voters with the wish to attract the anti-nuclear and environmentalist, Green left. According to the opinion polls, which have had a bad spell in forecasting recent regional elections—the Social Democrats may be in for their worst showing since the 1950s.

Dr Kohl's Christian Democrats and their Bavarian sister party, Herr Franz-Josef Strauss's Christian Social Union, are also tempted by siren doubts. The progress of some right wing splinter groups in regional elections has convinced Herr Strauss, and apparently also Dr Kohl, that a bit of right wing rhetoric is useful.

Growing economy

On the positive side for the coalition the cost of living declined last year and only a slight increase is expected in 1987. The economy is growing, though hardly at a canter. The current external balance is healthy—too healthy so far the health of others. Unemployment blots this picture. But since the effects are softened by a generous welfare system and a thriving black economy, the issue has not aroused as much electoral passion as might have been expected.

The limits of merger control

THE IMMINENT decision on whether to refer the BTR bid for Pilkington to the Monopolies Commission comes at a time when the British Government's overall review of competition policy is nearing completion. It would be a pity if the decision, a large conglomerate merger, were to be a mere reference to the Monopolies Commission in 1982 and found not to be against the public interest. Following that decision, large conglomerate mergers have generally avoided a reference. The shift of policy was confirmed in 1984 by Mr Norman Tebbit, then Trade and Industry Secretary, who said that references would normally take place only where the proposed merger threatened to reduce competition. There is no good reason to depart from this approach in the BTR/Pilkington case, which does not raise competition issues.

Hazardous business

The weakness of British mergers policy is that the public interest criteria under which a merger may be regarded as against the public interest are drawn far too widely. Virtually any merger above a certain size may be sent to the Monopolies Commission for reasons which the Government does not even have to explain, but which may simply reflect wrong political pressures at the time. Since Mr Tebbit's pronouncement the record on references has been less erratic than in the past, but some questionable decisions have still been made. In any case Mr Tebbit's statement of policy had no statutory force. There is nothing to stop the present or a future government from referring mergers to the Commission on grounds that have nothing to do with competition. A Labour government would certainly do so; Labour Party spokesmen have said that they would change the burden of proof, so that the Commission would have to be persuaded that a pro-merger was in the public interest, instead of simply not against it. A review of mergers policy

The coalition has continued the Orpington of its predecessor, maintaining a cordial relationship with Eastern Europe in spite of some almost inexcusable verbal outbursts by the Chancellor which have ruffled relations with Moscow.

Bonn has ridden the storm caused by the deployment of American cruise and Pershing missiles, removing one of the most serious potential obstacles to American-European co-operation within the alliance. Bonn has also swallowed its objections to at least initiating a reform of the European Common Agricultural Policy and to opening up the German market to non-EU insurers from elsewhere within the Community.

But every coin has its reverse. West Germany is, after all, the biggest economic power in Europe, with the capacity to lead. Yet Bonn remains hesitant about reforming EEC farm policy and unnecessarily suspicious of attempts to remove obstacles to intra-Community trade, especially in services.

Two uncertainties

Bonn's insistence on tight monetary and fiscal policy has made it harder to avert a transatlantic trade war and has contributed to the recent currency turbulence.

According to the polls, there are two main uncertainties about the election outcome on January 25. One concerns the performance of the Greens, who have recently been registering electoral support of over 10 per cent. It is just possible that they will be strong enough to form a coalition with the Social Democrats, though both have denied any such intention. The other concerns the balance within the present coalition. The Free Democrats, the junior partner, could fall below 5 per cent of the vote and therefore drop out of parliament altogether. Even if they do not, the Kohl and Strauss parties could just scrape over 50 per cent between them and be capable of governing alone. That would be a departure in German politics and would be healthy for the health of others. Unemployment blots this picture. But since the effects are softened by a generous welfare system and a thriving black economy, the issue has not aroused as much electoral passion as might have been expected.

The best result would be for the existing coalition to continue, but with somewhat bolder policies. The West German leadership has been sleep-walking too long.

has to ask whether it is desirable for the government to retain the present wide-ranging power to intervene in the takeover process, or whether such intervention should be confined by law to cases involving competition.

For example, there is concern over the process whereby ownership of important companies in, say, Scotland or the north of England is transferred, through takeover, to companies with their headquarters in London. The importance of Pilkington to the North West, coupled with its commitment to research and development in the public interest, following that decision, large conglomerate mergers have generally avoided a reference. The shift of policy was confirmed in 1984 by Mr Norman Tebbit, then Trade and Industry Secretary, who said that references would normally take place only where the proposed merger threatened to reduce competition. There is no good reason to depart from this approach in the BTR/Pilkington case, which does not raise competition issues.

Governments are not noted for their willingness to give up powers to intervene, especially when political pressures are pushing them in the opposite direction. But it is difficult to see how mergers policy can be given its proper role as a means of promoting competition without a substantial revision of Section 84 of the Fair Trading Act. This would be a matter of considerable importance, which appears to them to be relevant, which the Monopolies Commission must take into account in deciding whether a merger may operate against the public interest.

One conclusion from review may be that mergers policy is only a small element in the armoury of weapons available to promote competition and that the Government should not put excessive weight on it. While the authorities should be on their guard against mergers which might seriously damage competition, other policies—free trade deregulation to encourage new entrants, the breaking-up of state monopolies—are likely to have a bigger impact on the competitive climate than detailed intervention in the takeover process.

"If we were to move out of nuclear energy immediately, it would mean the collapse of the German economy."—Mr Helmut Kohl, the West German Chancellor.

Every source of energy has risks. But nuclear risks transcend the scale of humanity. This cannot be justified. Mr Volker Blaudt, former Technology Minister under Chancellor Helmut Schmidt, now chairman of the Opposition Social Democratic Party (SPD) commission formulating plans to abandon atomic power.

We Germans have a tendency to be emotionally excitable. Mr Klaus Barthel, chairman of Kraftwerk Union (KWU), West Germany's main nuclear reactor company.

The question is not if another accident will happen, but when. Everything else is just child's play. Mr Oskar Lafontaine, SPD Prime Minister of the German coal-mining state of Saarland, and a leading contender to take over as the party's next chairman.

THE CLOUD left by the Chernobyl reactor accident still hovers, months after the Soviet accident, as an agonised debate in West Germany over a possible Ausstieg (exit) from nuclear power comes to a provisional climax in this month's general elections.

Mr Kohl's generally pro-nuclear centre-right coalition is likely to remain in government after the January 25 poll. But for both political and economic reasons, the country's consensus in favour of expanding atomic power, which has guided its nuclear drive over the past 30 years, now lies in tatters.

Both the dilemma and the timing are ironic. Party following the line of the radical and increasingly popular Greens ecology party, which wants to ditch nuclear plants immediately, the SPD is campaigning on a platform of phasing out over the next decade the nuclear power stations it was instrumental in building when in power during the 1970s.

The SPD, labouring under a general confusion of objectives and ineffectual leadership, is heading, according to the opinion polls, for a crushing defeat. Yet at the same time the signs are multiplying that a long slow German march away from atomic energy—in the land where scientists first discovered nuclear fission nearly 50 years ago—already may be under way.

The result looks likely to be, in coming years, higher than planned reliance on coal for electricity generation—this from heavily-subsidised German mines and also, probably increasingly, from imports—above all, from South Africa. This would bring its own economic and environmental costs. The West German coal industry currently produces at roughly double the world market price (partly because of the latest appreciation of the D-Mark). Helping on long-term contracts with German power stations for about half its sales, it has absorbed nearly DM 20bn (£7bn) in production subsidies during the last four years.

German power stations are coal-fired power stations are already passing on to customers another bill of about DM 25bn in a decade-long programme to install equipment to lower sulphur and nitrogen oxide emissions in compliance with the country's tough new clean air rules.

But under a post-Chernobyl energy policy compromise now shaping up in West Germany, higher electricity costs for industry and households will be the moment because of the German utilities' marketing monopoly.

By spurring industrial rationalisation and energy-saving measures, relatively high German energy prices over the past decade may have been a factor in driving up the country's unemployment. But, as underlined by the nation's DM 100bn 1986 trade surplus and by the profitability of its chemicals groups, dearer energy does not seem generally to have impeded its international competitiveness.

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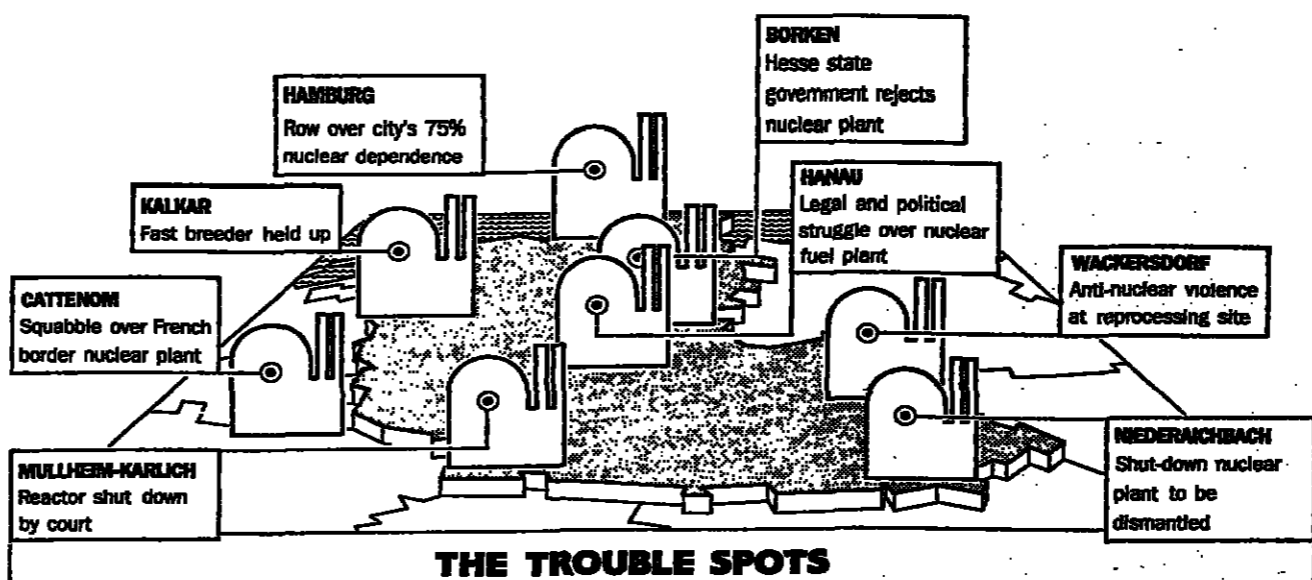
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NUCLEAR POWER IN WEST GERMANY



THE TROUBLE SPOTS

Bruno Radovic

The consensus lies in tatters

By David Marsh in Bonn

There is no doubting the importance of the issues involved in the Ausstieg controversy—nor that feelings are running high. During the eight months since Chernobyl, West Germans have manifested their nuclear distrust in ways ranging from protesting over bequeathed levels in sandpits to fighting pitched battles with riot police at nuclear sites.

At stake is the future of the country's 21 complete nuclear power stations and four plants under construction (including the fast breeder prototype at Kalkar on the Rhine, built at a

country with a bill of DM 200bn over six or seven years in the form of wasted investment and higher electricity costs.

While the chemical industry says that 150,000 jobs in energy-intensive sectors and in the nuclear field could be put at risk, Ausstieg supporters argue that a switch away from nuclear energy would actually boost employment.

The debate also will decide whether West Germany will give up its long-running bid to catch up France and Britain by developing the advanced (and costly) technology of repro-

cessing spent nuclear fuel. Probably the most difficult single nuclear decision of the next legislative period will be whether to go ahead with the atomic industry's much-tested DM 10bn project to build a reprocessing plant in Wackersdorf in eastern Bavaria.

The West German electorate, meanwhile, after months of bombardment with pro- and anti-nuclear propaganda, is only too well aware that there are no easy solutions.

Mr Walter Wallmann, the Environment and Reactor Safety

Minister brought into the Government by Mr Kohl in June to help calm Chernobyl worries, denounces the SPD's anti-nuclear stance as "utopian and opportunistic." A majority of voters would probably agree with at least one of the adjectives.

Even though the SPD's growing doubts over nuclear energy substantially pre-date the Chernobyl accident, the party's new official stance on nuclear energy has strained its overall credibility.

It has not been forgotten that the previous SPD-led govern-



AUSSTIEG

Any Ausstieg limited to German territory would still leave the country exposed to the consequences of a nuclear accident on its borders



AUSSTIEG

ment between 1969 and 1982 actively pushed forward the West German nuclear build-up.

The SPD Government in 1974 was responsible for formulating the hopelessly over-ambitious nuclear capacity projection of 45,000 MW nuclear capacity by 1985. The actual figure turned out to be 16,000 MW—which the present SPD now says is much too high for comfort.

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New man for New Yorker

It had to happen some time. But even so, the news that the New Yorker, one of America's most famous and idiosyncratic weekly magazines, has a new editor has come as a shock to many of its admirers. It has been something of a shock even to some of its critics who argue that the magazine has failed to move with the times.

Robert Gottlieb, aged 55, president and editor-in-chief of Alfred Knopf, part of the Newhouse family's publishing empire, has been named as the third editor in the history of the 62-year-old magazine, which used to be the playground of literary figures such as Dorothy Parker, E. L. Menckens, and James Thurber.

The first editor was the incomparable Harold Ross who had a genius for picking talented writers even if he did not always understand what they were writing about.

Gottlieb will take over next March on the retirement of William Shawn, aged 79, who has edited the magazine for the past 35 years, and is said to have read every line in every story printed.

S. I. Newhouse, chairman of Advance Publications, which bought the New Yorker for \$143m just under two years ago, yesterday showered praise on the outgoing editor who, he says, "invented and maintained a standard for the New Yorker that is unparalleled in world journalism."

However, it is clear that the privately-owned Newhouse publishing empire, which includes some 20 newspapers and magazines, including Vogue, House and Garden, and Vanity Fair, is anxious to make some changes around the business.

It has already begun aggressively promoting the sale of its American Cup yacht. Up above floats his ship. Along the coast there is his Observation City. A film and a

Men and Matters

up and is now said to be around 560,000 a week. On the other hand the number of advertising pages fell by 10.5 per cent last year.

Countdown

The West German government is having a hard time counting its flock. Plans for holding a national census three years ago were scuppered when the Federal Constitutional Court threw out some of the questions. An amended census is planned in five months' time, but it is also running into problems.

Equal opportunities groups up and down the country say that sending female census-takers into people's houses puts the women at risk from sexual harassment. Women's groups in Lower Saxony want escorts provided for each female census-taker. But neither the interior Ministry nor the state authorities are prepared to foot the bill.

Each census-taker is paid more than DM 300 for every 50-70 households covered, and Ministry officials say there is no more money in the kitty to pay for escorts. The state says it can not afford to pay for them, either. Bonn officials suggest that if the women want escorts, they should invite their husbands or boyfriends to accompany them on their rounds.

Crocodile Bondee

Alan Bond's presence looms very large in Perth. Out at sea sails his America's Cup yacht. Up above floats his ship. Along the coast there is his Observation City. A film and a

television series have been made about him.

But now the Australian entrepreneur is appearing where few industrialists, if any, have ever been before—on the front of T-shirts being sold in hundreds to tourists.

Marina Bernell, a former sales assistant, got the idea while sitting in an Italian restaurant "watching all these guys come in wearing their Gucci T-shirts."

Bond gave his approval to the idea—and Bernell produced a cherubic caricature, clothing the America's Cup in one arm, with a crocodile draped around the shoulders. Embellished above it is the legend "Crocodile Bondee."

In three weeks, she has sold 800 of the T-shirts. Now she has



"No wonder they're abandoned—have you seen how much petrol prices have gone up?"

plans to print the Bond features on mugs, place-mats and other souvenir items. "And if he wins the America's Cup, we plan to go international with the idea," she says.

Pasta press

Appetising news from the publishing world. Yet another "foodie" magazine is on the way.

Pizza and Pasta is to be the official magazine of the newly-formed Pizza and Pasta Association (PAPA) for short. It will replace a previous publication which had a gourmet circulation of 11,000 in Britain alone.

In case you have any doubts, pizza and pasta make up a very serious combination in the food industry.

Britons now eat more than 17m tonnes of pizza in their own homes every year, and last year they bought more than £100m worth of pasta.

My efforts to bring you the figure of how many miles of assorted pasta that represents have failed to elicit a reliable response.

But publisher Kevin Murray has no doubts that pizza and pasta will provide a satisfying editorial diet.

Hard to bear

My recent story about bear hunting in Czechoslovakia reminded a reader of a similar tale about polar bears.

The production manager and the marketing manager of a company decided to spend a weekend hunting polar bears. As soon as their helicopter had dropped them off, the marketing manager took his binoculars and went off to scout around.

Meanwhile, the production manager pitched their tent, set up their camp beds, cleaned the guns, and was just preparing supper when the marketing manager rushed back into the camp with two large polar bears snapping at his heels.

"You take care of these two," he shouted, "and I'll go and get some more."

Observer

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JPK 150

JOBS

A hunt that grows increasingly competitive

BY MICHAEL DIXON

READERS wishing to test their knowledge of contemporary British life might care to have a go at the following question. Which four kinds of warm-blooded creatures are legitimately hunted throughout Britain continuously between now and April?

The answer is foxes, hares, the bucks of fallow deer, and graduates.

Of the four, there can be no doubt that it is the graduates who attract the keenest and most expensive pursuit. For during the next weeks the groves of academe will be teeming with the representatives of employing organisations vying with one another for young recruits.

Moreover the competition among the recruiters seems set to be greater than ever before, according to a survey of 122 employers just published by PA Personnel Services. Rivalry was fierce enough last year when those organisations vying for graduates with an average of 39 degree-winners apiece. Their target bag for the new season works out at 44.

The likely effect on the average salaries the employers in different industries expect to have to pay this year is shown by the first two columns of figures in the above table, which is drawn from PA's report. (Anyone wanting a copy should contact Sheila Smith at

Sector of industry	Average start pay for 1987		Typical progress of acceptable and above-average staff		After five years		After ten years	
	£	£	Acceptable average	Above-average	Acceptable average	Above-average	Acceptable average	Above-average
Oil and gas	11,101	10,344	12,323	12,666	15,900	15,333	17,666	19,666
Computers and electronics	10,944	8,193	11,181	12,580	12,454	15,400	16,372	19,650
Technical and scientific services	8,113	8,488	12,600	12,800	14,800	19,100	18,400	24,600
Chemicals and allied	8,083	8,560	—	—	—	—	—	—
Food, drink and tobacco	8,719	8,732	12,384	12,461	14,692	17,088	18,769	24,261
Professional services	8,588	8,732	11,854	12,263	14,509	17,138	20,909	25,590
Manufacturing except engineering	8,493	7,971	10,600	11,880	12,389	14,400	14,000	17,400
Engineering including motor	8,478	7,892	9,946	11,090	11,588	12,615	12,769	17,230
Banking, insurance, etc.	8,301	7,661	10,850	11,782	12,150	15,726	17,050	22,262
Government and public services	8,258	7,732	10,000	12,000	12,250	14,750	17,500	22,500
Transport and communications	8,167	7,690	10,000	10,333	12,000	16,333	16,666	21,666
Retail and distribution	7,963	7,504	10,285	11,714	12,428	15,714	16,371	22,000
Construction	7,794	7,288	9,777	10,111	11,777	12,888	14,777	16,666
Others	8,500	7,998	12,800	13,000	15,000	15,850	18,000	19,250
Overall	8,553	7,979	10,874	12,088	12,182	15,639	16,808	21,338

60a Knightsbridge, London SW1X 7LE; telephone 01-235 6080, telex 27874).

Taking all the sectors of industry together, the forecast rise over 1986 is 7.2 per cent. The only sector markedly below that overall figure is construction with 4.7. Two are well above the norm. One is professional services with an expected rise of 11.1 per cent. The other is computers and electronics with a bumper 32.4.

The table's remaining six columns refer to degree-winners engaged by the 122 employers in five sectors the in previous years, and of course take no account of the latest starting pay figures. Even so

they give some indication of the later average salaries in prospect for two different types of graduate recruit.

The first is the worker whose performance is judged no better than acceptable. The second is valued as above-average. In each case we have the typical salary respectively at the end of three years, five years and 10 years service.

Overall the above-average worker's advantage over the acceptable counterpart after a decade with the organisation is 27 per cent. In five sectors the differential for good performance is between three tenths and just over a third: transport

and communications at 30 per cent; banking, insurance and so on at 30.6; retailing and distribution at 32.8; food, drink and tobacco at 33; and technical and scientific services at 33.7. Few if any of the organisations, however, expect to keep very many of their graduate recruits for as long as a decade. Even the government and public services sector reckons to lose nearly a quarter of them by the end of four years. Over the same period the retail and distribution industry budgets to shed seven in every 10. The others range in between, the all-sector loss rate being 37 per cent.

the jobs on offer—38 per cent—the subject studied by the graduates does not matter. In which case, a stranger might wonder, why is the organisation insisting that the recruits must have a degree at all?

The main explanation may lie in the fact that, even where employers require some particular subject knowledge, they generally count it less important than other attributes usually described by the nebulous phrase "personal qualities". Examples are said to be the ability to work in teams and otherwise to form productive relationships with people. And it seems that organisations believe such qualities are far more likely to be found in people who have gained a degree than in those who ended their formal education on a lower perch of the academic pecking order.

To some extent that belief is probably right. Britain's education system notoriously concentrates on the minority of children with academic aptitudes at the expense of failing to develop the other kinds of talent possessed by the majority whose intelligences and interests run in other directions.

Indeed it is not unfair to say that it is a system which, for every person it qualifies for anything, disqualifies about two thirds of the total sought. But in a still bigger proportion of

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A leading European Bank requires a young Marketing Officer to develop its business in the UK and Ireland. The successful candidate will be responsible for the design, development and implementation of marketing strategies for the bank's products. The position offers a competitive salary and excellent career prospects. Applications should be sent to the Personnel Department, 100 Bank Street, London EC4A 3DF.

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An international Bank with a well established London branch is seeking a Credit Officer to join its growing team. The successful candidate will be responsible for the design, development and implementation of credit strategies for the bank's products. The position offers a competitive salary and excellent career prospects. Applications should be sent to the Personnel Department, 100 Bank Street, London EC4A 3DF.

FX DEALER

Our client, a respected European Bank, is seeking an experienced FX Dealer to join its growing team. The successful candidate will be responsible for the design, development and implementation of FX strategies for the bank's products. The position offers a competitive salary and excellent career prospects. Applications should be sent to the Personnel Department, 100 Bank Street, London EC4A 3DF.

ASSISTANT FUND MANAGER

An established UK Bank with an expanding London office is seeking an Assistant Fund Manager to join its growing team. The successful candidate will be responsible for the design, development and implementation of fund strategies for the bank's products. The position offers a competitive salary and excellent career prospects. Applications should be sent to the Personnel Department, 100 Bank Street, London EC4A 3DF.

MARKETING OFFICER—CAPITAL MARKETS

A leading international Securities House is actively seeking a Marketing Officer to join its growing team. The successful candidate will be responsible for the design, development and implementation of marketing strategies for the house's products. The position offers a competitive salary and excellent career prospects. Applications should be sent to the Personnel Department, 100 Bank Street, London EC4A 3DF.

Our current assignments also include...

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2 London Wall Buildings
London Wall London EC2M 5PP
Tel: 01-588 2081

Skeels Associates

Bank Recruitment Consultants

DEALING

CORPORATE DEALER

£25-£35,000 + Bonus

Our client is amongst the world's largest banks, with a major and aggressive dealing presence in all major markets. Corporate relations in the Treasury area are well established, involving both traditional currency requirements and bank money requirements. The bank seeks an additional enthusiastic young Corporate Dealer who should have two to four years' experience and be eager to expand into a wider market. This is an outstanding opportunity to join one of the City's most powerful trading rooms.

Contact: Anita Harris

FORWARD DEALER

c.£25,000

This is a most interesting 'development' role with a bank which is relatively recently established in London. As such it will suit an individual who prefers the flexibility and variety of the smaller dealing room, combined with the opportunity to develop a sound banking name in the London market. The successful candidate is expected to have two years' experience in actively trading major forward currencies, combined with the versatility to contribute in other markets where necessary.

Contact: Jonathan Holmes

GRADUATE F/X DEALER

to £35,000 + Bonus

This is an outstanding opportunity for an ambitious, aggressive young Dealer to join a small, highly professional bank in the City of London. The bank is a leading trading room. The successful candidate will be a university graduate with a degree in a relevant subject, preferably in Economics or Finance, and a strong interest in foreign exchange trading. The position offers a competitive salary and excellent career prospects. Applications should be sent to the Personnel Department, 100 Bank Street, London EC4A 3DF.

Contact: Joanna Davies

DEPOSITS DEALER

to £25,000

We are at present seeking with the expansion of one of the City's largest dealing rooms. Our client has a strong reputation for its dealing in deposits and is looking for a graduate to join its team. The successful candidate will be a university graduate with a degree in a relevant subject, preferably in Economics or Finance, and a strong interest in deposits trading. The position offers a competitive salary and excellent career prospects. Applications should be sent to the Personnel Department, 100 Bank Street, London EC4A 3DF.

Contact: Jonathan Holmes

INVESTMENT BANKING

ECP SALES

Salary highly negotiable

Our client is a major force in the organisation, trading and distribution of Euro-commercial paper on a global basis. Confusingly, however, the client is not a bank, but a subsidiary of a bank. The successful candidate will be a graduate with a degree in a relevant subject, preferably in Economics or Finance, and a strong interest in ECP sales. The position offers a competitive salary and excellent career prospects. Applications should be sent to the Personnel Department, 100 Bank Street, London EC4A 3DF.

Contact: Jonathan Holmes

ANALYST/TRADER

Attractive salary + substantial bonus

An entrepreneurial, dynamic and highly motivated individual is sought for a rapidly expanding investment bank. Working in a small, close-knit team of traders and analysts, the successful candidate will be expected to seek out, research and evaluate investment opportunities in the UK and overseas markets. The position offers a competitive salary and excellent career prospects. Applications should be sent to the Personnel Department, 100 Bank Street, London EC4A 3DF.

Contact: Jonathan Holmes

EQUITY SALES

Europe, US, Japan

£35,000 +

Two of the City's leading stockbroking companies, now part of a well established bank, are seeking ambitious young investment professionals with a high level of motivation and a strong interest in equity sales. The successful candidate will be a graduate with a degree in a relevant subject, preferably in Economics or Finance, and a strong interest in equity sales. The position offers a competitive salary and excellent career prospects. Applications should be sent to the Personnel Department, 100 Bank Street, London EC4A 3DF.

Contact: Joanna Davies

CAPITAL MARKETS/ EURO-EQUITIES

to £40,000

Our client is a top-ranking international securities house. A most challenging opportunity exists in a highly motivated team, the successful candidate will be a graduate with a degree in a relevant subject, preferably in Economics or Finance, and a strong interest in capital markets. The position offers a competitive salary and excellent career prospects. Applications should be sent to the Personnel Department, 100 Bank Street, London EC4A 3DF.

Contact: Felicity Mother

The Following

Accountancy Appointments will be appearing TOMORROW:-

Financial Director
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U.K. Stockbroker/Merchant Bank Private Client Executives

The Private Clients Stockbroking operation of our Client is expanding rapidly and as a consequence, they require additional talented executives capable of handling both discretionary and non-discretionary accounts. Our Client's recent merger with a highly regarded Merchant Bank will widen people's career prospects within a stable background.

For these outstanding opportunities in this soundly backed and progressive member firm recognised for its traditional strength in the Private Client area, they are looking for people who combine up-to-date knowledge of the various markets, sectors and investment vehicles; plus the experience and confidence needed to handle Clients in an efficient manner.

The successful candidates will probably have been working for some 6+ years (there are also more junior vacancies) in the Private Client side of a stockbroking or investment management company and should

combine investment skills with the ability to communicate with Clients both verbally and in writing.

At both senior and more junior levels, our Client hopes to attract people who can see the long-term importance and career opportunities in the Private Client discipline and will offer a competitive salary plus bonus. No age limits have been set and whilst some personal business might be an advantage, this is certainly not essential.

Please apply initially quoting ref. 785 to Keith Fisher at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel (01) 248 0355. No details will be released to our Client without the candidate's permission.

Overton Shirley & Barry
INTERNATIONAL SECURITIES & INVESTMENT MANAGERS

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PARTNERSHIP**
Bank Recruitment Consultants
Portfolio Manager to £40,000
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Bank Chambers, 2nd Floor
214 Bishopsgate, London EC2E

GRADUATES
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THE CITY
Roberts Watson Ltd
Tel: 01-734 5572

TRAINEE BROKER
A vacancy has arisen for a Trainee Broker. The successful applicant will be aged 24-30, of smart appearance and ambitious. Excellent prospects offered. Call the Recruitment Officer on 01-408 1218

Assistant Director Retail Broking

Bank Enquiry Department - Administrator
Age 28-35 c. £35,000 + car + benefits

Our client, the securities arm of a major investment banking group, will shortly appoint an Assistant Director who will be responsible for the administration of their Bank Enquiry Department. His/her main responsibilities will include:

- * Actively managing a support team.
- * Day-to-day involvement with intricate matters of administration, including implementation of investment policy.
- * Liaising on a close basis with the management of an expanding Private Client Department.

The successful candidate is likely to have had at least five years' experience with a London stockbroking firm which has specialised in branch banking business. The role calls for proven leadership qualities as well as a track record as a good administrator in this particular area. The appointment offers a future in a dynamic environment and a competitive salary will be negotiated which will include a number of investment banking fringe benefits.

Please apply to: J. R. V. Courts, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London, WC2A 1EG, tel: 01-242 5775.

**Career
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LIMITED**
Personnel Consultants

Deputy Treasurer

To £30,000 plus Car
City of London or Gloucester

This International Insurance group has for many years provided a treasury management service in respect of its own and client insurance company funds. The success of this function has led to a decision to incorporate a subsidiary company offering a comprehensive treasury management facility both to client companies currently under management and to external companies for whom no insurance services are currently provided. With a planned £300m of funds under management by the year end, the group is urgently looking to recruit an exceptional deputy to the Treasurer to complement its young and progressive treasury team.

The role of the Deputy Treasurer will be wide ranging and will demand participation in short and longer term investment decisions, the development of investment

strategies - taking account of current and projected economic trends, the development of new products to meet changing client requirements, and assistance in the further development of the company's new computerised systems. The Deputy Treasurer will also become actively involved in the marketing of the company's services.

Ideally candidates will have gained a sound background in treasury management including foreign exchange exposure, liability or asset management experience and fund management, and will possess significant experience of general dealing with the major banks. Great emphasis will be placed on candidates' personal qualities and the person appointed will be expected to possess good interpersonal and negotiating skills with the confidence

and maturity to justify his or her decisions.

The position carries with it an excellent salary and benefits package. More important is the opportunity for self and career development with a highly successful company now seeking to expand the range and scope of the services that it provides.

Interested candidates, male or female, should write enclosing full career and salary details, quoting reference MCS/8701 to Gary Birney, Executive Selection Division

Price Waterhouse
Management Consultants
Livery House
169 Edmund Street
Birmingham B3 2JB

Price Waterhouse



Background in
Securities Investment?

Align Your Career with a Leader

c.£25k with Benefits

Sowerby's Selection

The City-based arm of an enterprising international trust bank which has enjoyed rapid expansion in recent years in its domestic territory, my client is now proceeding to implement the next stage in its planned parallel growth in the U.K.

Backed by extensive resources and a diverse and impressive portfolio of services worldwide, the bank has in the last year reorganised its international operations relating to money, foreign exchange and securities in order especially to reinforce and expand its activities in capital markets.

As a result there is now a requirement for a talented and ambitious SECURITIES INVESTMENT OFFICER to sustain the development of this programme.

Probably a finance or economics graduate in your mid-twenties and offering some two years' relevant experience in the capital markets arena, you should be capable of managing a significant FRN exposure and demonstrate a sure touch in calculating and forecasting movements.

While the overall coverage will also extend to straight bonds, especially in U.S. dollars, and gilts, the bank's increasing involvement in European markets, notably Germany, will render specific experience in this latter area particularly relevant. Personal qualities sought include decisiveness and critical powers of judgement, and you will be capable of contributing from day one in a highly motivated team environment.

The bank is strongly committed to its declared policy of expending its London operation, and this is an exceptionally promising opportunity for career development, offering ample scope for initiative.

Interested? Then please ring or preferably write, in total confidence, to me, Trevor G. Ross, Sowerby's (Selection) Ltd., Personnel Consultants, 500 Cheapside House, 150 Regent Street, London, W1R 5EA. Tel: 01-439 8282.

Manager - Corporate Finance

Westpac Banking Corporation is the largest banking group in Australia with substantial wholesale banking operations in Europe. From its divisional headquarters in London, a wide range of capital market, project and advisory financial services are transacted.

The Bank is now seeking another experienced executive to join its Corporate Finance unit located within the Bank's International Capital Markets Group. The unit's principal activities are merger and acquisition work, leveraged and management buyouts and specialised financings.

The successful applicant will be in his/her early 30s and have a number of years of experience in financial services, industry or the accounting profession. An essential requirement is a sound knowledge gained through working experience of European market conditions, acquisition law and accounting practice. As some of the work will be on behalf of Australian based clients, a knowledge of the Australian market would be desirable although not essential. Appropriate academic and professional qualifications are necessary.

An attractive salary and benefits package is offered and those interested are invited to write in confidence with full curriculum vitae to:-

Mr Peter Roberts, Personnel Manager, Westpac Banking Corporation, Walbrook House, 23 Walbrook, London EC4N 8LD.

Westpac
Australia's world bank.

PLANT MANAGER - CONTINUOUS STATIONERY

As the major manufacturer in this country and part of the largest group worldwide in the manufacture of business forms, we require the services of a highly professional Plant Manager of proven competence within the industry.

The successful applicant will be qualified to degree standard preferably in Engineering, and will have had not less than three years experience of a senior management post in business forms manufacture. He/she will need also to be familiar with and have had some experience of advanced business form construction, and the latest technology in use in preparation, print and finishing stages. This will include electronic imaging.

A generous benefit package will include a non-contributory pension scheme, company car and medical/life cover.

Applicants are asked in the first place to write, enclosing CV, to:

MOORE

**MOORE
PARAGON**

Personnel Director,
Moore Paragon U.K. Limited
Moore House, 75-79 Southwark Street,
London SE1 0HY

AT A CAREER CROSSROADS?

Hill Samuel Investment Services Ltd. requires Executives aged 30 to 40, with a background in industry, Commerce or the Professions, to be trained to enter a wide range of Financial Services to businessmen, professional intermediaries and individuals.

Send C.V. to:
David Hall,
Hill Samuel Investment
Services Ltd.,
1 Maddox Street,
London W1R 9WA
or rings 01-254 4583

FOREIGN EXCHANGE DEALER

THE NORTHERN TRUST COMPANY

Due to the expansion of our dealing activities we wish to recruit a young spot dealer to trade one of the major currencies. The successful candidate will have had some experience of trading interbank foreign exchange and be able to work successfully in a small team as well as making an individual contribution to the Bank's profits. Salary is negotiable, according to experience, and the Bank offers a competitive benefits package.

Please reply in writing, enclosing C.V. to:-

Mrs. R. C. Williams
Personnel Manager
The Northern Trust Company of Chicago
38 Lombard Street
London EC3V 9BR

**TOP LEVEL
TROUBLE SHOOTER**
Ordinary selected, motivated, orientated executive with extensive experience of setting up and running out businesses in international markets and with strong analytical, organisational and follow-through skills. Requires challenging job, preferably UK based. Ideally qualified as Personnel Assistant to Chief Executive Officer or Chairman. Please write to the Advertiser, Box A-0372, Financial Times, 10 Cannon Street, London EC4A 3DF.

CJA

An unusual opportunity - 2-5 year assignment in New York, thereafter returning to a position in London Head Office.

CJA
NEW YORK

BANKING OPERATIONS MANAGER

UP TO £23,000 + MORTGAGE SUBSIDY AND
GENEROUS OVERSEAS ALLOWANCES

EXPANDING INTERNATIONAL MERCHANT BANK

For this key position, we invite applications from candidates (preferably AIB) aged 30-38, with at least 8 years' domestic/international banking experience, which should have included responsibility for branch management, accounting and foreign exchange administration. The successful candidate will spend 3 months in the London Head Office prior to taking up the New York appointment, with a short hand-over period. The duties, which are wide-ranging, will cover full responsibility for managing the Branch operations and supervising the accounting, settlements, administration and personnel functions for local and seconded staff, assisted by a small, efficient team. Although close links will be maintained with London Head Office, this position requires an above-average degree of initiative, sound judgement and resilience, with excellent administrative and communication skills. Salary negotiable up to £23,000 with non-contributory pension, mortgage subsidy as well as generous, individually-tailored overseas allowances to cover accommodation, increased cost of living expenses, medical, children's education, annual leave passages + a relocation payment. Applications, in strict confidence, under reference BOM 4459/FT, to the Managing Director:

CAMPBELL-JENNISON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LTD., 30 NEW BROAD STREET, LONDON EC2M 1NN. Telephone: 01-588 3588 or 01-588 3578. Telex: 807324. Fax: 01-256 8501.

STRATEGIC MANAGEMENT CONSULTANT

Growing entrepreneurial consulting firm seeks to employ a Management Consultant with extensive senior US corporate contacts and knowledge of the US regulatory framework. The successful candidate will advise UK clients on investments in the US and vice versa. Two years experience in management consultancy and MBA or equivalent required. Extensive experience of US government and familiarity with US accounting and legal practices essential. Salary will be commensurate with experience.

Please send CV to Box A0372, Financial Times, 10 Cannon Street, London EC4A 3DF.

EROEQUITIES TO £38,000

TRADERS AND RESEARCH ANALYSTS

are required for a leading US Stockbroking and Investment Banking firm. Candidates, probably aged 26-40, should ideally have relevant experience of European or other equity markets. Knowledge of European languages would be particularly useful. Replies in the strictest confidence to the firm's appointed advisors:

Box A0376, Financial Times
10 Cannon Street, London EC4A 3DF

SYDNEY

Jonathan Wren

LONDON

HONG KONG

CORPORATE DEALER

On behalf of our client, a major UK investment bank, we seek an additional Corporate Dealer for their treasury operation.

Candidates are likely to be aged between 23 and 30, a graduate, and have a background of at least two years in a treasury operation in a major bank or corporate environment. They should be knowledgeable in the areas of sterling and currency deposits, Certificates of Deposit, Eligible Bills, and foreign exchange. Experience in other areas such as Commercial Paper, FRA's and short term interest rate swaps would be a distinct advantage. Ability to work as a member of a small team with the willingness to be flexible and to explore new investment products as they arise is vital.

The proposed remuneration package will include a bonus, mortgage subsidy and other generous banking benefits. The package will not be a limiting factor for the ideal candidate.

For further details ring, or send your CV to Karyn Rutherford.

Jonathan Wren
Recruitment Consultants
No.1 New Street, (off Bishopsgate), London EC2M 4TP.
Telephone: 01-613 1266

Brown, Shipley & Co. Limited

Mergers and Acquisitions Manager

As a long established Accepting House merchant bank, Brown Shipley have developed and diversified and are a respected market force within the City. As part of its corporate finance activities, their Mergers and Acquisitions division is acknowledged by the Board as a major growth area, particularly in an international context.

To join this growing division, they now require a Mergers and Acquisitions Manager to be based in their London office and to be responsible for the full

spectrum of M & A work, including business development. The position calls for a young but experienced M & A manager with a track record of success in initiating, negotiating and concluding transactions. An ambitious, computer literate person with a second European language and an accounting or banking background is sought. Broad experience in industry would be an advantage. Excellent interpersonal skills and the ability to work within a team are also of great importance.

Compensation will be attractive and negotiable and will also include a performance/profitability bonus. Other benefits will include the normal merchant banking package.

Please send full CV and salary details quoting reference MCS/6098 to Alannah Hunt, Executive Selection Division, Price Waterhouse Management Consultants, No 1 London Bridge, London SE1 9QL.

Price Waterhouse

UK Equity Settlements Departmental Manager

Negotiable City

Merrill Lynch is one of the largest and most diversified financial institutions. With its entry into the London Stock Exchange and dynamic growth in its business, a challenging opportunity exists for an experienced manager to head up its UK Equity Settlements Department - reporting directly to the Director. This is an established Department which will expand in the coming year.

The successful candidate will have a strong 'operations' background, highly developed managerial skills and the ability to interact with traders and sales professionals. Experience of high-profile companies, ideally within a global business context, will be required.

Initial salary is negotiable with excellent bank benefits.

Please write enclosing full career details, current salary and daytime telephone number to Barbara Jenkins, Senior Recruitment Manager, Merrill Lynch Europe Ltd, 27 Finsbury Square, London EC2.

Merrill Lynch

INVESTMENT MANAGER

CHURCH INVESTMENT OFFICE

The successful applicant is likely to have had at least five years' experience of the U.K. fixed interest market, in a position of some responsibility. A good working knowledge of equity markets would be expected. A competitive salary will be paid depending on experience.

Please forward curriculum vitae, including church connections to:

Box A0363, Financial Times
10 Cannon St, London EC4P 4BY

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Louise Hunter
01-248 4864

Jane Liversidge
01-248 5205

Jonathan Wren

SECURITIES SALES AND TRADING

SYDNEY

LONDON

HONG KONG

Our client, a major international bank, wishes to expand and develop its securities dealing operation in London.

The dealing operation will cover a wide spectrum of capital markets and international securities products. In line with this, our client wishes to meet experienced traders and salespeople able to demonstrate a successful and profitable track record over a minimum of 2 years.

The product areas of specific interest at this time are as follows:

- US \$ Straight Bonds
- Non-Dollar Bonds
- Floating Rate Notes
- Convertibles
- Gilts

A competitive starting salary, bonuses and a full range of fringe benefits will apply.

Please forward a detailed cv, or, to discuss these positions further please contact Bryan Sales.

Jonathan Wren
Recruitment Consultants
No.1 New Street, (off Bishopsgate), London EC2M 4TP.
Telephone: 01-623 1266

Fund Management - UK Equities

Develop your career with the Investment Management Company of a top quality Merchant Banking Group

This is an opportunity for an experienced UK Equities Fund Manager to join a high calibre Investment Management Company, large enough to offer substantial initial responsibility and significant future career development prospects.

The primary attractions of the position are the scope for decision making and the chance to develop your skills in a professional, team-orientated working environment.

You should have gained a minimum of three years' experience in the fund

management of UK Equities and be able to demonstrate a record of successful performance. You are likely to be a graduate and should possess well developed communications and interpersonal skills.

The Company offers an outstanding compensation and benefits package. To apply, please write in complete confidence to John Sears & Associates, Executive Recruitment Consultants, Cavendish Court, 11/15 Wigmore Street, London W1H 9LB or telephone: 01-629 3532.

John Sears and Associates

A MEMBER OF THE SMCL GROUP

An exceptional opportunity for a

Bankers Trust Company

Head of Investment Administration

- International Fixed Income Group -

The Investment Management Group of Bankers Trust Company is one of the major growth areas of the Bank. As a result, this new senior appointment has become essential to future development. It offers an exciting and unique career challenge.

You would take full managerial responsibility for the administration of the Fixed Income activity. Reporting to the Director, the role involves providing a positive contribution to the management and development of the administrative function including the implementation of special projects. There is also extensive client liaison and reporting responsibility.

Applicants, ideally aged early 30's, should have a successful track record of managing the settlements, accounting and administrative procedures of international fixed income and currency instruments.

You should also have the maturity to take over the management of a team of administrators and to assume additional responsibilities as the business grows. A sound knowledge of computer systems, taxation and legal agreements would be an advantage.

The position carries a high basic salary, with excellent banking benefits including a car. You would have the opportunity to make a major impact on the development of this important business area and develop your own career within a premier organisation.

Interested candidates should contact Sarah Beaumont on 01-629 8070 or send a detailed curriculum vitae quoting ref L 183 to her at Slade Consulting Group (UK) Limited, Metro House, 58 St. James's Street, London SW1A 1LD. All applications will be treated in strictest confidence.

London • Melbourne • Sydney • Brisbane • Adelaide • Perth • Auckland • Christchurch

SLADE CONSULTING GROUP (UK)

Senior Consultant

The Ambrosetti Consulting Group is one of Europe's foremost consultancy practices specialising in international corporate strategy.

As part of our continued expansion, our London office, which heads the European network, is seeking a Senior Consultant to join the team. Rapid progress to partnership is expected.

The ideal candidate will have a good first degree plus an MBA and have a strong professional interest in international business. He or she will have at least 10 years' experience in an MNC and/or a major consultancy practice. Industrial experience in either manufacturing or the service sector is considered desirable. Direct experience of strategy formulation and implementation, either as a consultant or in a staff appointment, is required.

This is a key appointment offering considerable opportunity for growth and development in a stimulating and challenging environment.

Please send full career details to: Martyn Hobrough, Ambrosetti Consulting Group, 8 Clifford Street, London W1X 1RB.



Ambrosetti Consulting Group

CREDIT INSURANCE

Our specialist team now requires the following personnel:

SALESMAN

Based at Kingston upon Thames, the successful applicant will be responsible for the development of new Credit Insurance. A company car will be provided.

SENIOR BROKER

Based at Kingston upon Thames, the successful applicant will need a thorough working knowledge of Credit Insurance Cover. Previous broking experience is desirable, but not essential. A company car will be provided.

Attractive salaries will be paid for both positions and fringe benefits include non-contributory pension scheme, and employee share scheme.

Please forward full Curriculum Vitae to: Mary Hammett, Personnel Manager, Stewart Wrightson Ltd, Kingston Bridge House, Church Grove, Kingston upon Thames, Surrey KT1 4AG



CREDIT MANAGEMENT CONSULTANTS LIMITED

JAPANESE EQUITY SALES

Hoare Govett's innovative Japanese Equity sales team is looking to recruit a highly motivated experienced person to develop their business in Europe.

Candidates should be experienced in either the sales or fund management of Japanese Equities and be fluent in at least one European language. This is a great opportunity to join a young and energetic department where remuneration and career prospects are excellent.

Applicants should write with a full C.V. to:

Ruth Colley, Personnel Manager, Hoare Govett Limited, Heron House, 319-325 High Holborn, London WC1V 7PB.

LONDON NEW YORK TOKYO HONG KONG SINGAPORE SYDNEY AUCKLAND CHANNEL ISLANDS GLASGOW

HOARE GOVETT

BELL

THE BELL GROUP INTERNATIONAL LIMITED

Investment Analyst

Not less than £25,000 + Car

Bell Group International Limited is the London based subsidiary of The Bell Group Limited of Western Australia. It is responsible for expanding the group's international interests and is continually searching for suitable investments.

The company has recently strengthened its investment department and wishes to add to it further by recruiting an additional investment analyst.

Candidates should have an accountancy qualification and have had several years' relevant experience of this type of work.

Excellent opportunity to move into a dynamic environment where ideas can be seen through to their conclusion.

For more details please contact Nick Root or Timothy R. Wilkes at Michael Page City, 39-41 Parker Street, London WC2B 5LH or telephone 01-404 5751.



Michael Page City

International Recruitment Consultants - London Brussels New York Paris Sydney
A member of Addison Consultancy Group PLC

DIRECTOR - ASSET FINANCE VENDOR PROGRAMMES

Due to further expansion of its comprehensive services to the industrial and commercial sectors, Manex Leasing Limited, the asset finance subsidiary of MANEX, The Corporate Finance & Treasury Group, wishes to appoint a dynamic and experienced executive to take responsibility for development and control of the company's sales support programmes for a wide range of manufacturers and capital equipment suppliers.

A thorough knowledge of the technical aspects of asset finance programmes is essential together with the ability to negotiate new business at the highest level.

This senior appointment is City-based at a competitive/negotiable salary + a valuable benefits package and company car.

Write in the first instance with a full C.V. to Mr John Berg, Company Secretary, at:



**MANEX
LEASING LIMITED**

Pembroke House 40 City Road London EC1Y 2AX

Capital Markets Products

London/USA

Philadelphia National Limited is seeking a Senior Executive to market capital markets products to US-based corporations and banks. Products and services include swaps, private placements, loan syndications, ECP and Eurobond issues.

We are looking for an individual with at least three years' directly comparable experience in London marketing international capital markets products (not necessarily to the US), who has the maturity to work effectively within the customer base of our parent bank.

Respond in confidence to:

Sandy Geddes, Managing Director
Philadelphia National Limited
3 Gracechurch Street
London EC3V 0AD
or by telephone to 01-623 8100



Philadelphia National Limited
A WHOLLY OWNED SUBSIDIARY OF THE PHILADELPHIA NATIONAL BANK, U.S.A.

Gilt Edged Sales

We wish to recruit Executives with several years experience of gilt-edged sales to join our established team servicing institutional clients. This is an excellent opportunity for applicants with a proven track record in this field to further their career.

We are offering an attractive salary, which is negotiable according to experience, and a comprehensive benefit package. Career prospects are excellent.

Please write enclosing full personal and career details to:
Gareth Hughes, Assistant Manager - Personnel, Kleinwort Benson Group, PO Box 191, 10 Fenchurch Street, London, EC3M 3LB.

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Business Analyst/Raters

Credit evaluation
Central London
£25,000 - £36,000 + benefits

In Spring 1987 a new prestigiously backed company opens in London with an excellent service to sell a top quality credit evaluation service specifically for the Euromarkets.

They are now looking for a team of high calibre professional analysts and raters to cover the company's multi-disciplined approach to the European market. Specifically vacancies are for Corporate Analysts both junior and senior and a senior Bank/Sovereign Analyst.

It is anticipated that successful

candidates may be frustrated with their current banking, credit insurance, chartered accountancy, or other rating agency environment and are looking for a smaller company with greater participation and potential growth.

The personal qualities necessary to fit in with our client's corporate philosophies are professionalism and pride in your work, interpersonal ease at all levels, generating fruitful and economic information. Excellent communication skills, both written and spoken, are vital and a second

European language will be highly desirable due to the international context of the work.

Career progression will be linked to company growth.

Please send full CV in confidence quoting reference MCS/3017 to:
Tracey Phillips
Executive Selection Division
Price Waterhouse
Management Consultants
1 London Bridge
London SE1 9QL

Price Waterhouse



Deputy Treasurer

£ Negotiable

The Banking Division of one of Britain's largest and fastest growing financial services groups is seeking to appoint a Deputy Treasurer.

Based in London, the job will involve responsibility for the management of the company's liquid assets and actively dealing on the Foreign Exchange and Eurodeposit markets. The successful candidate will also market for new bank and corporate deposits and assess and recommend new financial instruments.

Candidates, probably in their mid or late twenties, should have at least three years' experience of sterling deposit and foreign exchange dealing on the London Money Markets and a sound knowledge of treasury activities. It is essential that they have the ability to work on their own initiative and are highly motivated with a strong commitment to success.

This challenging position offers good career prospects within one of Britain's most innovative and dynamic financial services groups. The remuneration package, which is negotiable, will include a company car, profit sharing and other benefits associated with a company of this calibre.

Those interested should contact John Green in strictest confidence on 01-404 5751 or write to him at Michael Page City, 39-41 Parker Street, London WC2B 5LH quoting reference 3710.



Michael Page City

International Recruitment Consultants - London Brussels New York Paris Sydney
A member of Addison Consultancy Group PLC

North American Equities Analyst

An exciting opportunity
with prospects of promotion to Fund Manager

This is a chance for you to become assistant to the North American Fund Manager in one of the most competitive and successful British institutions. The company has substantial investments in US and Canadian equities and your job will be an interesting blend of analysis and some dealing responsibilities. You will also be a participant in investment policy meetings, so all in all there is great scope for personal initiative and rapid advancement.

You will work in a brand new sophisticated dealing room due to be completed in the next few weeks. Promotion prospects are outstanding - the majority of the company's existing fund managers were appointed through internal promotion and

new management positions have been created to capitalise on market change or particular expertise.

To be a candidate you should be a professional investment analyst probably aged 22-30 and with a degree or appropriate qualification. You should have at least two years' experience in US or Canadian equities, or preferably in both, gained with a major institution.

There is an attractive compensation package.

To apply, please write with CV to John Sears and Associates, Executive Management Recruitment Consultants, Cavendish Court, 11/15 Wigmore Street, London W1H 9LB or telephone: 01-629 3532.

**John Sears
and Associates**

A MEMBER OF THE (SMCL) GROUP

US Dollar and Yen Traders A Great Deal

This highly profitable UK subsidiary of one of the world's largest banks has achieved a sharply increased performance in the last year. As a result the Bank now wishes to recruit two bond traders to cover dollar and yen bonds.

Reporting to senior management, you will be a key member of a young and dynamic team, willing and able to act independently. With your knowledge of interest rate trends and awareness of new products, you will make a valuable contribution to corporate decisions. Drawing on your trading experience, you will have the opportunity to branch into a managerial

role, initially by supervising trainee dealers. You will probably be in your 20's, with at least one year's experience of trading either US dollar or Yen straightly and with a thorough knowledge of the bond market. You have a confident, mature outlook and are a good communicator.

This post offers a negotiable salary and all the usual banking benefits. To apply, please write or ring in complete confidence to Kathryn Barnes, of Cripps, Sears & Associates Limited, Personnel Management Consultants, International Buildings, 71 Kingsway, London WC2B 6ST. Tel: 01-404 5701.

Cripps, Sears

KINGSTON BUSINESS SCHOOL
Kingston Regional Management Centre
Leadership in Business

SENIOR LECTURER/CONSULTANT

The Business and Development Unit of the Kingston Regional Management Centre helps senior managers to improve their abilities to lead the growth and development of their businesses through innovative project-based educational programmes in actual business situations. The Unit has a substantial programme with industry, commerce and public sector organisations and now seeks to appoint a Senior Lecturer/Consultant to join its current team of five. Practical experience of general management, finance, business administration, marketing or operations management and an interest in management education are essential. Candidates will be graduates or have an equivalent professional qualification. The salary will be in the range £12,615 to £15,873 plus £726 London Allowance.

Further details and applications forms from:
The Personnel Department, Kingston Polytechnic,
Penryn Road, Kingston upon Thames, Surrey KT1 2EE.
Tel: 01-549 1286, ext. 505.
If you wish to discuss the post informally please ring
Mr Derek Taylor, Head, Management and Business Unit
Kingston Regional Management Centre, on
01-549 1241, ext. 225.
Closing date: January 28, 1987

**KINGSTON
POLYTECHNIC**

INVESTMENT EXECUTIVE PRIVATE CLIENTS TO £20,000

You will have comprehensive experience of portfolio and cash management, from banking or stockbroking, be familiar with the UK securities market and have a working knowledge of international markets to join this major merchant banking group. Our clients seek an individual, preferably a graduate, with stock exchange exams completed and a good knowledge of personal taxation, to provide a professional service to private clients on all aspects of managed and advisory portfolios. Usual banking benefits. Age 28/30.

For further details telephone:
ROBERT MILNE 01-631 3045
CRAWFORD RECRUITMENT SERVICES

Corporate Finance Exceptional Opportunities

Our Client is a City Merchant Bank wishing to make two high calibre appointments to its Corporate Finance department.

Candidates for both positions should be graduates with excellent academic results and preferably a Legal or Accountancy qualification. They will also have excellent communicative ability, ambition and enthusiasm.

Executive, Assistant Manager or Manager

Candidates will have at least one year's experience of Corporate Finance work, possibly gained within another merchant bank or with a leading firm of corporate lawyers and will therefore be able to immediately play a significant role in the work of the department.

Manager or Assistant Director

The successful individual will be a senior corporate financier with good all-round experience and the ability to take substantial responsibility from an early date. Exceptional individuals could be appointed at Assistant Director level.

These positions offer the opportunity to play an important part within a dynamic and rapidly growing team in which talent and hard work are both recognised and rewarded.

Please contact Stephen Embleton for an initial discussion, in complete confidence.

**Lloyd
Chapman
Associates**

International
Search and Selection
160 New Bond Street, London W1Y 0HR
Telephone: 01-409 1371

DATASTREAM

A background in Investments

Right now you are probably aged 22-32, a graduate and well on your way to developing a successful career within the investment industry. But perhaps you find your current role offers more than it does horizons. If so, and you are attracted by the challenge of marketing as much as you are fascinated by the world of investments, then here at Datastream we offer the opportunity to combine both.

A future in Marketing

We provide Financial Institutions with access to the most powerful and sophisticated computer technology used in the handling and analysis of financial data. We also give Fund Managers, Investment Analysts, Stockbrokers, Market Makers etc. a powerful tool with which to make more informed investment decisions and develop more accurate financial strategies.

(Incidentally, if your experience has been gained in any of the above roles, your transition will be that much easier). But although a lot has been said about the influence of computers on the finance sector, we have only scratched the surface of the potential that really exists - this is where you come in.

It is a role that will entail responsibilities far beyond the traditional parameters of marketing with much of your effort being directed towards examining sectors of the industry, identifying where information needs exist and how best Datastream can supply a technologically based solution.

This will involve not only working with our development team on creating new products, but also planning the marketing strategies for their launch. Our corporate growth plans are ambitious to say the least, and the chance to develop a more detailed understanding of financial marketing is there for the taking. Amongst the more material considerations are a highly competitive salary and an unrivalled benefits package including Free Life Assurance, Non Contributory Pension Scheme and Private Medical Cover.

For more details write with full career details including present salary and daytime phone number to Karen Taylor, Recruitment Officer, Datastream International Ltd, Monmouth House, 58/64 City Road, London, EC1Y 2AL.

a company of
Dun & Bradstreet International

COMPLIANCE CITY

Salary Negotiable
in excess of £30,000
with substantial
Bonus + Benefits

Goldman
Sachs

Goldman Sachs is a major international financial services firm. In London, it is a primary dealer in gilt securities and an equity market maker on The Stock Exchange.

The London office now wishes to recruit for a newly created position within the compliance function. The terms of reference will be necessarily wide as you will assist in setting up compliance procedures, advise the firm on compliance-related issues, ensure that employees understand rules and regulations, and liaise with regulatory authorities. The position offers exposure at all levels to the production and operations areas of the firm.

Because of the importance attached to this role your background will have to be equally impressive. You will be a determined and creative self starter with good business judgement. You will also be a graduate with a legal or accountancy background, ideally both. At least three years of securities industry experience and a working knowledge of Stock Exchange rules and regulations are required.

For further details of this position, which carries a substantial bonus and excellent benefits, contact Graham Palfrey-Smith or Hansa Savani on 01-629 4463 (or 01-669 8822 or 697 6811 at evenings and weekends), alternatively write enclosing a comprehensive career history quoting ref HS 235.

HARRISON WILLIS
FINANCIAL RECRUITMENT CONSULTANTS

CARDINAL HOUSE, 39-40 ALBEMARLE ST., LONDON W1X 3FD. TEL: 01-429 4463.

Correspondent Banker

Salary Neg. + Company Car & Bank Benefits
City Based

As part of the continuing development of Royal Trust Bank, we are now seeking to recruit a correspondent banker to join our Management team. This is a new role for which the primary responsibility will be to establish new bank relationships for money market lines, as well as marketing and creating an awareness of the products and services available from Royal Trust Bank, and the Royal Trust Group.

The right candidate will be aged 28-40 with at least 3 years correspondent banking and/or representative office experience in the London market. Ability to work on his/her own initiative and first class communication skills are essential.

Salary will be negotiable and benefits include a company car, mortgage subsidy, private medical cover, pension and life assurance.

Please write in strict confidence to:

John A. Newman, Senior Associate Director,
Royal Trust Bank, Royal Trust House,
48-50 Cannon Street, London EC4N 6LD.

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Daniel Berry

01-248 4782

Emma Cox

01-236 3769

Marketing Manager

Credit evaluation
Central London
around £30-35,000 + bonus

This new London based operation has been established with significant backing to market and sell a high level credit evaluation service aimed specifically at the Euromarket.

They are looking for a Marketing Manager who understands the undoubted potential of this service. It is vital that the successful candidate is comfortable with financial analysis terminology, understands banking structures both UK and globally, and has institutional investor contacts.

Reporting to the Managing Director, the challenge, excitement and ultimate remuneration of the role stems from the innovative nature of the service offered. The incumbent will have to be sensitive to international market needs, adaptable in approach and strong enough to steer the company to match market requirements.

Candidates should have gained appropriate international experience, in the financial services sector and also have a second European language.

Prospects for the successful candidate lie in the planned growth of the company, and with the potential to progress to associate director level.

Please send full CV in confidence quoting reference MCS/3016 to: Tracey Phillips
Executive Selection Division
Price Waterhouse
Management Consultants
No. 1 London Bridge
London SE1 9QL

Price Waterhouse

Japanese equity sales experience?

Establish a Name for Yourself!

c.£30k + benefits

My client is the newly-established London branch of a major overseas securities house, itself part of a prestigious international finance group backed by immense resources and long-standing experience. Offering a comprehensive package of financial services, the new company is the spearhead of an ambitious programme of expansion into other foreign markets, in which international corporate and institutional business will play an increasingly vital role in the parent's overall marketing strategy.

As a first step the company now wishes to appoint a Japanese equities sales executive to launch this sector of its activities in the U.K. This is an exceptional career-building opportunity providing early responsibility and considerable freedom of initiative.

Probably aged 25-30 and a graduate in finance or economics, you will have between one and two years' relevant equities experience, supported by sales flair and market awareness, and will be capable of making an immediate contribution by building on an existing client portfolio.

Energy, enthusiasm, decisiveness and resilience under pressure will all be key personal characteristics, and you will be at once articulate, authoritative and persuasive, creating both interest in the product and confidence in the company. You should also possess a stable, team-orientated personality and display drive and managerial potential.

Interested? Then ring or preferably write, in total confidence, to me, Trevor G. Root, Sowerby's (Selection) Ltd., Personnel Consultants, 506 Chesham House, 150 Regent Street, London, W1R 5EA. Tel: 01-439 8288.

Sowerby's Selection

Currency Economist

A new role in one of the world's leading banks

One of the world's largest and financially strongest international banks offers the opportunity for an experienced Currency Economist, probably now a number two or three in a team, to make a career development move by taking on a new role in a rapidly expanding Treasury function.

The appointee will be responsible for establishing the department's analysis and research capability within the financial and currency markets and for advising FX Dealers on future market trends.

The bank's growth and commitment to both London and the world's financial markets is underlined by its recent completion of a new 'state-of-the-art' Dealing room, doubling the size

of the Treasury department.

Candidates should have at least two years' experience in Currency Economics with an established financial institution. A broad knowledge of the foreign exchange and money markets is required, both in US\$ and major European currencies. In addition to a degree, a post-graduate qualification would be advantageous.

An attractive salary and benefits package is offered, reflecting the importance and status the Bank attaches to this position.

To apply, please write to John Sears & Associates, Executive Recruitment Consultants, Cavendish Court, 11-15 Wigmore Street, London W1H 9LB or telephone: 01-629 3532.

John Sears and Associates

A MEMBER OF THE ERM GROUP

EQUITY DESK POSITION

Highly motivated person with excellent organisational skills urgently needed to join a successful and dynamic team of institutional equity professionals with an established but rapidly expanding business. A good telephone manner, experience in sales trading operations, knowledge of computers and the determination and willingness to adopt a flexible role in achieving team goals will be substantial assets.

Please write with curriculum vitae to:

T. Barry
10th Floor
Princess House
27 Bush Lane
London EC4R 0AN

Portfolio Managers

U.K. and European Equities

International Bonds

- WE are the rapidly expanding investment management arm of the world-wide Nomura organisation seeking two first class portfolio managers with experience in either of these areas.
- YOU are 25-35 and seeking to become part of a successful team, reporting to a Senior Portfolio Manager.
- YOU have the confidence and maturity to accept departmental responsibilities and deputise for your Senior Portfolio Manager during his absence from the office.
- YOU will enjoy the challenge of a demanding and rewarding position with a prestigious organisation.
- YOU will be prepared to undertake a certain amount of world-wide travel.
- YOU will qualify for a generous salary and substantial benefits.

NOMURA

If you believe you meet our requirements, please write, enclosing detailed c.v. to: Mr. N. Kishi, Managing Director, Nimco Europe Limited, 24 Monument Street, London EC3R 8AJ.

Energy Economics Analysis - London

£21,024-£24,085

The Central Electricity Generating Board is one of the world's largest electric power utilities with responsibility for planning, building and operating power stations for the bulk supply of electricity.

We are seeking to fill a vacancy within the Fossil Fuel and Energy Section which is involved in the formulation of policy advice on all aspects of the economics of fossil fuel supply and also advises on transport and fuel related matters of longer term commercial and strategic interest to CEGB. The Section is responsible for the preparation of medium and long term forecasts of fossil fuel price and availability within UK, from both imported and indigenous sources, as an input into the Board's formal investment plans. The work ranges from the identification and evaluation of long term strategies designed to ensure the Board's continued access to economic sources of fossil fuel to detailed economic assessments.

You will lead a small team engaged in analysis of the UK Coal industry but may be required to participate in any of the work of the Section. The main duties of the post involve the assessment of the likely levels of

production from indigenous coal sources within the UK and the development and use of a cost based model of the UK coal industry to analyse possible changes in the cost competitiveness of British Coal. You will also be required to forecast coal prices in the UK over the longer term.

You should be educated to degree level, preferably in economics or business studies, and should have a broad understanding of current energy issues, particularly as they affect both British Coal and CEGB.

You must be able to demonstrate an ability to analyse and formulate solutions to complex issues, including the ability to organise and present numerical information, and to express yourself effectively both orally and in writing. Experience in the use of computer modelling techniques for economic analysis applied to problems in the energy supply area would be an advantage.

Please write with full details, including age and current salary if applicable, to Group Personnel Officer, CEGB, Sudbury House, 15 Newgate Street, London EC1A 7AU by January 30 1987 quoting Reference 687/00/F1.

The CEGB is an equal opportunity employer.

CENTRAL ELECTRICITY
GENERATING BOARD
HEADQUARTERS

MANAGER Fiscal Agencies

London

Salary negotiable

The position of Manager - Fiscal Agencies within this client company, a major International Bank, is a post which demands commitment - stretching both your management ability and your professional skills to the full.

The prime responsibility of the position will be to promote and expand the Bank's role as a Fiscal and Paying Agent whilst maintaining the high standards of service upon which the Bank's reputation has been built.

Candidates, aged late 20's to early 30's, should have at least 5 years' experience gained either in syndications or direct loans processing of which 1 or 2 years will have been spent in a designate position. Previous activity in fiscal and paying agencies is essential as is experience of a substantial portfolio with major issuers.

As the Bank's primary contact, the successful candidate will play a major role in the development of both existing and prospective customers. Leading a team of five you will maintain departmental efficiency through staff motivation and attention to administrative detail.

The position carries an attractive compensation and benefits package and is likely to attract those currently earning in the £17,000-£22,000 range.

Please apply in the first instance, in strict confidence, enclosing a full CV: quoting Ref 875 to: JPW Recruitment Advertising Ltd, Chancery House, 53/54 Chancery Lane, London WC2A 1QX.

JPW
Recruitment Advertising



RESEARCH DIRECTOR

RESEARCH ANALYSTS

Our client, the UK stockbroking division of a European Financial institution, requires additional research staff for its London office.

The company consists of a small team providing specialised services to large UK and international institutional clients. The research team is responsible for provision of some regular research product and general support to the equity marketing group, but with strong bias towards 'special situation' and corporate finance related business.

Candidates should have either a speciality in a sector of the UK market (preferably Financials, Natural Resources, Industrials or Consumer) or more general analytical experience, probably gained in a broking or fund management environment.

For further information please write with full Curriculum Vitae, quoting reference MFV/200, to: V. Lawrence, Guy Redmayne & Partners, 18 Grosvenor Street, London W1X 9FD.

GRP is the General Recruitment Division of EAL

General Manager Financial Computer Services

£ neg. package City

We are looking for a very special person with exceptional qualities to accept this demanding and highly remunerative appointment. These qualities must include:

- the ability to manage an important business unit and to be competent in preparing, monitoring and achieving business plans;
- an understanding of the computer services industry;
- experience of communicating effectively at Board level, particularly with members of financial institutions;
- a proven track record of managing highly motivated and well qualified technical and professional staff.

Our plc client, a British group operating internationally, is well known in the City and is expanding rapidly. Its clients, worldwide, include some of the most respected names in international banking, finance and stockbroking circles.

You will be expected to progress to UK Board level and be able to contribute in the direction of the company's UK business.

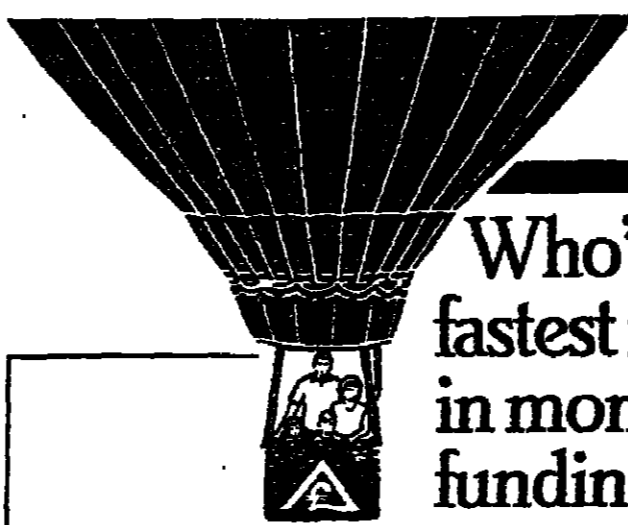
Preferably aged 35-45, you must be highly motivated with an entrepreneurial approach and have the ability to promote the company's products/services.

There are no constraints on salary for the right person.

Please apply, in the strictest confidence, enclosing CV giving details of current salary to D. B. Atkins, Managing Director.

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Tel: (01) 250 0003



Who's the fastest rising force in money market funding?

Nationwide was a pioneer amongst Building Societies in raising funds through the commercial money markets. Now, as the competition heats up with the lifting of old restrictions, we're aiming even higher in the various fields of Treasury Dealing — particularly CD's, Time Deposits, Eurobonds and Index-linked bonds.

We're developing new products whilst expanding our investment and funding activities. That's why we're mounting a serious search for ambitious high-flyers who'll shape and share this exciting future.

You'd be joining an organisation that's one of the nation's biggest building societies and a dynamic financial services company — one which is exploiting new opportunities with verve and imagination.

Rest assured, the rewards on offer, including concessionary mortgage (which could be immediate or possibly after a qualifying period) and free BUPA, reflect our determination to attract top talents. Will you figure in the Nationwide initiative?

Corporate Sales Executive

Our plans to offer an improved Money Market service to corporate and institutional investors will ensure that Nationwide remains a pioneering influence among Building Societies. We're looking for someone with the contacts and the skills to market the products to major investors. This will require a proven record in marketing CD's and Deposits experience, probably gained within a bank. This is a 'greenfield' opportunity — a chance to make your mark in a Number One position.

Money Market Dealers

— from Junior to Senior

We're looking for people with one to three years' experience of profitable dealing in Deposits, CD's and Bills, either in a bank, insurance company or Corporate Treasury Dept. Additional knowledge of foreign currency markets and hedging instruments would be welcome, bearing in mind our plans for product development. If you're ready for a high level of responsibility and plenty of new challenges, we're ready to talk.

All senior posts will carry fully expensed company cars

Break loose and start climbing fast with Nationwide — write with detailed CV including current salary to: Richard Wharton, Recruitment Manager, Nationwide Building Society, New Oxford House, High Holborn, London WC1V 6PW or telephone him on 01-242 8822 ext 2580 for an application form. Closing date for applications 28th January 1987. We are an equal opportunities employer.



INVESTMENT BANKING HONG KONG

OUR CLIENT is one of the most highly respected United States investment banks. The Hong Kong office is small, successful and expanding.

THE POSITION: Is as a senior member of the investment banking team, with responsibility for marketing the services of the investment bank throughout the South East Asian region.

QUALIFICATIONS: Candidates will have U.S. domestic and Euro Debt/Equity experience and will have worked on swaps and M & A deals with a leading U.S. investment bank. They will have an excellent academic background, ideally including an MBA or JD.

REWARDS: The compensation offered is exceptional, as are the opportunities for career development.

Replies will be treated in strictest confidence. No replies will be forwarded to our client without the applicant's permission.

Please reply to: Search Resources International, Ref HKSEI, Chronicle House, 4th Floor, 73-78 Fleet Street, London EC4Y 1HY.

EUROPEAN ANALYSTS

Hoare Govett's European department comprises of more than 20 staff servicing clients on an international basis. To complement our existing research team we are looking to recruit analysts with European experience, or with proven skills in UK equity or credit analysis and at least one foreign language. Applicants should be highly motivated and interested in joining a young and energetic department. Remuneration will be very competitive.

Candidates should write with full C.V. to Tim Draper, Head of European Research, Hoare Govett Limited, Heron House, 319-325 High Holborn, London WC1V 7PB.

LONDON NEW YORK TOKYO HONG KONG SINGAPORE SYDNEY AUCKLAND CHANNEL ISLANDS GLASGOW

**HOARE
GOVETT**

WICO

W. I. Carr (Overseas) Limited

STOCKBROKERS

W. I. Carr (Overseas) Limited is an established stockbroking house specialising in Far Eastern securities with offices in most major international financial centres. Recently it became a wholly-owned subsidiary of Banque Indosuez, which has expressed its long-term commitment to the development and expansion of WICO's securities business.

WICO is seeking to recruit salesmen for its London, New York and Zurich offices to market Japanese, Hong Kong, Singapore and Malaysian equities to institutional clients and offers immediate career opportunities to people of the right calibre committed to build up and expanding a specialised stockbroking business, supported by Far East-based research teams.

Ideal candidates should possess ambition, drive and the ability to communicate effectively. Relevant experience in Far Eastern markets is necessary for senior positions, and will be rewarded accordingly, but opportunities also exist for suitable candidates from outside the securities industry or without relevant Far Eastern experience.

Please reply in confidence, enclosing a curriculum vitae and photograph, to:

The Chief Executive
W. I. CARR (OVERSEAS) LIMITED
1 London Bridge, London SE1 9TV

Unit Trusts Senior Registration Manager

Essex

c£20,000

Our client is a leading unit trust management company.

The requirement is to supervise a growing department of more than 40 people, employing advanced computer systems and client enquiry facilities, whilst ensuring the maintenance of high standards of service to investors and intermediaries.

In your 30's and preferably professionally qualified, you must have relevant experience acquired with a unit trust, stockbroker or company registrar.

Of prime importance will be your ability to manage, obtaining the best possible results from others through professional techniques, diplomacy and tact.

This is a career appointment offering excellent future prospects. Benefits include mortgage assistance, private health cover, an excellent pension and a range of employee share schemes providing the opportunity for substantial capital growth.

To apply, please telephone or write to Fiona Law quoting reference 9884.

**Lloyd
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Associates**

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Search and Selection
160 New Bond Street, London W1Y 0HR
Telephone: 01-499 7761

MAJOR MANAGEMENT OPPORTUNITIES AT SOUTH BANK POLYTECHNIC

ASSISTANT DIRECTOR
EXTERNAL RELATIONS

ASSISTANT DIRECTOR
ACADEMIC DEVELOPMENT

Salary £29,000 pa

Pauline Perry, the new Director of South Bank Polytechnic, is looking for two new members of the directorate team to work with her in an exciting period of development for one of Britain's largest and most successful Polytechnics. At South Bank Polytechnic we have a technological bias and the majority of our 10,000 students are undertaking degree and higher level work. We employ over 2,000 staff, many of whom are funded by industry and major public bodies.

EXTERNAL RELATIONS
Responsible for all public relations with the press, media, community, industry and the professions plus development of international links.

ACADEMIC DEVELOPMENT
Responsible for the development and operation of courses including internal monitoring of quality and validation processes plus related staff development.

If one of these posts attracts you and you have the imagination, commitment and appropriate experience to make a major contribution at this level then we look forward to hearing from you.

Further details and application forms are available from the Head of Personnel, South Bank Polytechnic, Borough Road, London SE1 0AA or by telephoning 01-828 3512 (answering service 9.00am to 6.00pm). Closing date: Friday 6th February 1987.

We are determined to achieve equality of opportunity in employment, we therefore positively welcome applications from women, members of ethnic minorities and people with disabilities.

**South Bank
Polytechnic**
Looking for tomorrow
in the heart of London



Applications are invited for positions in this leading venture capital company

Successful candidates will be under 30, hold a degree together with accountancy, legal or business qualifications, or be able to demonstrate proven experience in a Merchant Bank or Venture Capital operation.

A keen interest in entrepreneurial business is essential.

Salary negotiable.

All applications in writing to:

Director of Personnel
ADVENT LTD
25 Buckingham Gate, London SW1E 6LD

Investment Marketing Executive

Our client, a major life insurance company with an enviable reputation for investment expertise, has a large and growing number of funds under management. The Marketing Executive will join a well established investment team controlling substantial pension fund assets.

This appointment will involve visits to existing clients, liaison with professional intermediaries, presentations to prospective clients, preparation of reports, and contribution to the continued development of investment and marketing policy. Based in Edinburgh, the post will require travel throughout the UK.

Education to degree and/or professional qualification level is essential and candidates must have an investment background, perhaps gained in pension fund management or stockbroking. Age indicator 25 to 35.

The remuneration package is open for discussion and will include relocation assistance where appropriate.

Please send a full CV — in confidence — to Michael Lawrence. Quote reference: B/67593.

MSL International, 39 St. Vincent Place, Glasgow G1 2ER

Offices in Europe, the Americas, Australasia and Asia Pacific.

MSL International
Executive Search and Selection

SYDNEY

Jonathan Wren

LONDON

HONG KONG

CORPORATE FINANCE**£100,000 + Bonus + Benefits**

We have two marketing vacancies for highly ambitious and motivated investment or merchant bankers. Candidates must be able to clearly demonstrate considerable success to date in the obtaining of mandates/marketing of debt and equity instruments, M & A and capital markets products, with major UK companies/multinationals. In addition to the base salary a reward orientated bonus will also be applicable as will a banking benefits package. Please contact Brian Gooch or Karyn Rutherford.

MANAGER - INTERNATIONAL SETTLEMENTS**to £40,000 + Benefits**

An outstanding opportunity has arisen for an ambitious individual to head the international securities division of a major American investment house. The successful candidate will have good technical knowledge of the UK and foreign equity markets, proven management skills, and the ability to control and motivate the settlements area and liaise with the trading area. Please contact Ann Winder.

ASSISTANT HEAD OF UK EQUITY RESEARCH**£25,000**

A major investment management company is seeking to recruit a senior analyst to be responsible for the day-to-day running of a large research team. Applicants should have about 5 years research experience, gained either with a stockbroker or investment house, and will be able to demonstrate the requisite management skills. The preferred age range is 27-40. Please contact Roger Stears.

JUNIOR BOND PORTFOLIO MANAGER**to £20,000**

A major opportunity has arisen for a numerate team player with some experience of bond portfolio management or alternatively, bond sales or trading. The successful applicant will join a small team managing a \$600M multi-currency bond portfolio and will have the facilities to develop their knowledge and skills to a high level. A science degree and 'A' level Maths are essential academic qualifications, and candidates are likely to be aged in the mid 20's. Please contact Roger Stears.

Jonathan Wren

Recruitment Consultants

No.1 New Street, (off Bishopsgate), London EC2M 4TP.
Telephone: 01-623 1266**Bullion Traders**

The London Branch of The First National Bank of Boston, a major U.S. bank, is in the process of establishing a U.K. bullion trading operation.

This is a new venture, being built to complement the activities of our sister company - The Rhode Island Hospital Trust National Bank - which for many years has been pre-eminent in the North American physical bullion markets.

Bank of Boston intends to become a fully-fledged market-maker in gold and silver and is seeking two additional people to help realise its plans:

Senior Bullion Trader

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Mrs. Eileen Price,
Personnel Officer,
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FX, TREASURY AND CAPITAL MARKETS
RECRUITMENT SPECIALISTS

SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Wednesday January 14 1987

Showing the way in telecommunications

FERRANTI

Boliden to quit German venture

By Sara Webb, Stockholm Correspondent

BOLIDEN, the Swedish metals, chemicals and mining group, is to pull out of its lead smelting joint venture with Preussag in West Germany by the end of this year because it does not want to invest in a new smelter which would not meet environmental requirements.

Preussag and Boliden each have a 50 per cent share in Preussag-Boliden-Blei (PBB) which produces lead and lead alloys, chiefly for the West German automotive market.

Boliden says it does not plan to renew its 15-year-old agreement at the end of the year and is looking for a buyer.

"If we cannot find a new partner for PBB, we will have to write off the cost," Mr Kjell Nilsson, Boliden's managing director, said.

Under new legislation, PBB would have to reduce sulphur dioxide emissions from the smelter at Norddeutsche, West Germany, by 1991.

Boliden estimates that it would cost DM 20m to DM 30m (\$10.5m to \$15.8m) to improve the existing smelter, with additional operating costs amounting to DM 5m a year.

Preussag wants to invest in a new smelter ready for production in 1991, which would cost about DM 200m. "We cannot justify that investment," Mr Nilsson said.

Boliden has faced tough times recently and made record losses of SKr 987m (\$147m) in the first nine months of 1986. The new management has introduced cost-cutting and hopes 1987 profits will reach SKr 200m.

The group's lead mines in Sweden - which produce about 70,000 tonnes of lead concentrate a year - and its smelter at Rönnskär supply PBB with 50 per cent of its raw materials.

Boliden wants to continue to supply PBB with lead concentrate and crude lead after the joint venture ends.

PBB produces 120,000 tonnes of lead and lead alloys a year. It has sales of SKr 700m, and losses for 1986 are expected to be SKr 10m, to SKr 15m.

Deutsche Babcock to raise DM 300m through rights issue

By Andrew Fisher in Frankfurt

DEUTSCHE BABCOCK, the West German heavy engineering group, plans to raise between DM 200m (\$105m) and DM 300m through a rights issue in April.

The company said group profits had improved further in the financial year to September 30, 1986, for which a maintained dividend of DM 3 per ordinary share was being proposed.

Babcock, which is 25 per cent owned by Iran, gave no details of the proposed share issue beyond saying that nominal capital would be raised by DM 180m to DM 350m.

But analysts said the steadiness of the share price in the past two days, when other export-oriented stocks have fallen after the latest D-Mark revaluation, had given the market notice of Babcock's intentions.

The group's last rights issue was in 1978. Since then, Babcock has suffered from problems with its Middle Eastern business, especially

in Saudi Arabia. It resumed dividends two years ago after a two-year gap. Group net profits in 1984-85 totalled DM 32.1m compared with DM 28.1m the previous year.

The terms of the rights issue are expected to be two new shares for five existing ones. Yesterday, the shares closed DM 5 higher at DM 211. German rights issues are usually made at a big discount, suggesting the price could be between DM 160 and DM 150, the price of the last rights issue.

The group's order inflow last year was 5.3 per cent lower at DM 4.8m, partly because of the lower dollar and partly because of its withdrawal from construction and trading.

At the end of September, the order backlog stood at DM 7.6m, a decline of 6.6 per cent over the previous year. Babcock said its liquid reserves rose during the year from DM 186m to DM 54m.

West Point-Pepperell continues recovery

By our financial staff

WEST POINT-PEPPERELL, the big US textiles and carpets producer which bought Cluett, Peabody last year for \$383m, boosted first-quarter net income from \$11.5m, or \$1.11 a share, to \$29.9m or \$1.43, reflecting a broad-based improvement in profits.

The rise continues West Point's recent earnings recovery, and came on sales which rose from \$332.1m to \$499.6m. However, this increase was more than accounted for by the addition of \$193m in sales of Cluett, a big producer of branded and private label apparel.

Mr J. L. Lanier, chairman, said the profit rise reflected "greatly improved performance in apparel fabrics, much better margins in bed and bath lines on a modest sales in-

crease, and a sharp turnaround in the profitability of industrial fabrics. In addition, the apparel segment (Cluett) added \$2.9m to net income."

Mr Lanier said Cluett's contribution to net income for the quarter came mainly from the shirt and leisure group. Performance in other lines was less robust, reflecting softer retail demand, especially in tailored clothing and children's wear.

A weak spot was carpets, where profits are running 50 per cent below the levels of last year, due to lower volumes and tough competition. The company hopes its recent acquisition of Stratton Industries will solidify its position in commercial carpets.

Owens Illinois cautions on new bid

By James Buchan in New York

OWENS-ILLINOIS, the largest US glass container manufacturer, yesterday responded cautiously to a revised offer of \$60 a share, or \$3.6bn, from Kohlberg Kravis Roberts, the Wall Street investment firm specialising in leveraged buy-outs.

Owens-Illinois, a diversified packaging company with interests in health care and financial services, rejected an earlier Kohlberg offer to buy shareholders out at \$55 a share and announced its own restructuring plan on Monday.

The company said yesterday it would hold in abeyance its own plan, which involves large-scale asset disposals and the repurchase of up to a third of its equity, until it had considered the new offer from Kohlberg.

Kohlberg, which masterminded the \$4.2bn buy-out of Beatrice, the diversified food products group, last year, usually prefers to work with management in taking a company private. Kohlberg insisted its offer remained friendly and that it would adhere to an agreement not to buy Owens-Illinois securities until the end of 1988.

But in a marked hardening of its attitude, Kohlberg said that management investment was no longer a condition of the offer. Owens-Illinois share price, which fell sharply after Monday's rejection by the company's board, recovered 5% to \$54 in early trading yesterday.

The new offer consists of \$48.50 per share in cash and junior securities which Kohlberg said were worth \$11.50 a share. Some analysts believe this offer is more valuable to shareholders than the management restructuring plan, which involves the disposal of about \$1bn in assets, primarily timberlands and corrugated box plants, the repurchase of up to 20m shares and new operational cost controls expected to save \$30m a year.

The company, which earned \$154m or \$2.62 a share on \$3.67bn of revenues in 1985, said it expects to earn \$2.90-2.95 a share in 1986 and \$4 a share before extraordinary charges in 1987. Management is seeking to raise per-share earnings by 12 per cent compound to 1991.

Alcatel keeps two lines of attack

BY TERRY DODSWORTH

IF SIZE and market presence were the only factors which counted in the European telecommunications industry, the new Alcatel group would be sailing into the balmy waters of assured success. The company is unquestionably big - the biggest on some counts - and it will have a commanding position in Western Europe, one of the world's key markets. But size alone, say sceptics, may not be enough.

The prediction of imminent shipwreck built down to one issue: can a group assembled from two quite different companies overcome its cultural and product differences quickly enough to weld itself into an effective fighting force? In the battle for survival in the European telecommunications business, Alcatel is the outcome of a pre-emptive strike to try and secure an unassailable market position.

But it will be a challenging management task to bring together an essentially nationally-based organisation - the telephone interests of Compagnie Générale d'Electricité (CGE) of France - with the American-run ITT activities in Europe.

CGE's response to the sceptics as follows:

Products: Alcatel says it will take a gradualist approach to product development. There was speculation before the merger was completed that the group would try to cut costs by concentrating on just one of its two digital switches.

Mr Suard also rejected the view that System 12 is flawed and would never work as well as its competitor. The installation rate for the ITT switch, he said, was running at 2m lines a year, and the equipment had successfully passed the difficult Bundespost approval procedures.

This alone will not be enough to stop underwriting suspicions over System 12, particularly in view of ITT's decision to reduce its commitment to the market. But the figures

show the switch is at least capable of holding many of ITT's traditional customers, there are now 14m lines of System 12 either installed or on order, and the installation rate is higher than the 1.7m a year for the Alcatel digital switch.

Alcatel also says that while its digital switch may prove to be the key to its future, this part of the business accounts for only about 21 per cent of sales. It has a strong position in several other markets.

The group's cable business for example, a combination of ITT's activities and a 65 per cent stake in Cables de Lyon, will have sales of \$1.5bn, and is claimed to be the largest manufacturer of telecommunications cable in the world.

The group will be a leading maker of screen and videotext terminals one of the leading world facsimile machine manufacturers, and a major producer of private telephone exchanges.

Management: With 150,000 employees, Alcatel's size alone will make it a hard company to manage. But the management will also be faced with the complexities of blending a French operational style with the American-bred traditions of ITT.

How will it co-ordinate product lines and research? Can it overcome nationalistic rivalries - one of the difficulties, it is said, in controlling ITT's European ventures? How will

it handle the hot potato of redundancies?

Alcatel has so far set out two broad responses to these issues. First, the company will be clearly led by the CGE wing of the enterprise. The choice of the name Alcatel, derived from the telecommunications subsidiary of the combined group, is indicative of this unambiguous approach; equally, Mr Rand Araskog, chairman of ITT, has said firmly that one side has to be in control. Thus a fair number of the senior operational managers in the group are being brought in from CGE.

Second, group organisation will be decentralised, allowing the operational divisions considerable autonomy, a structure employed by CGE.

In the Brussels headquarters will be a management committee in charge of staff functions, such as planning, finance and research and development. Reporting to the committee will be six product group managers in charge of business systems, public networks, cables, transmission, consumer products and outside line plant.

The trickiest area concerns public telephone exchange equipment, where the opportunities for rationalisation are numerous, but where customers have huge investments already tied to each company's products.

For the time being, each product line will be run separately by their existing teams, helping to retain customer loyalty at the expense of savings that could accrue from

more radical restructuring. Marketing, however, will be co-ordinated by the product group managers, who will decide which markets each company should attack. At the same time, research and development will be co-ordinated, so that the next generation of equipment can be melded into a common product.

Decentralisation may also help take the nationalistic sting out of redundancies, by leaving employment decisions to the divisions. Estimates of potential cuts of between 15,000 and 25,000 jobs are being bandied about the group's headquarters, and officials concede that some cuts will be necessary.

Finance: Alcatel has not yet drawn up pro forma figures, but says sales this year will rise to about \$13bn from \$12bn in 1986, and that profits will be in the region of \$360m. Although conceding that the margin on sales, at 2 per cent, is slim Alcatel claims it is only slightly under the figures achieved by Siemens of West Germany on its telecommunications activities.

According to Mr Philippe Guntz, chief operating officer, just over half of the combined sales of the group (\$7bn) will come from the ITT operations. Both switching operations are just in profit, with ITT making its contribution from its older, analogue equipment rather than the new System 12 product line.

On the balance sheet side, Mr Guntz says that for now the group should have no problem financing itself from its own resources. The immediate claim on its resources will be to repay \$350m worth of debt owed to ITT, which is also receiving \$902m in cash from the transaction, and which will leave another \$800m worth of its debt within the new Alcatel.

The \$350m will be repaid by raising new borrowings, but with the main development work on the switches completed, cash flow is expected to be strong for the next few years, and should provide the resources for day-to-day requirements.

Alcatel is even considering a public quotation within two or three years, although that will depend on profitability and CGE's projected privatisation.

ALCATEL	
Capital:	CGE 55.6%
	ITT 37.0%
	Société Générale de Belgique 5.7%
	Crédit Lyonnais 1.7%
Employees:	150,000
Sales 1986 (1987 est)	\$12bn (\$13bn)
Geographic breakdown of sales:	Europe 87%
	Rest of world 4%
Activities:	Public network telecommunications products 45%
	Business communications, computer services 30%
	Other 25%
Public telephone exchange equipment: On order 37m digital lines. In service: 17m digital lines	

Continental moves to big league

By Michael Donne, Aerospace Correspondent in London

CONTINENTAL AIRLINES of the US, which is owned by Mr Frank Lorenzo's Texas Air Corporation, will become the third-largest airline in the US after American and United from February 1 when it finally absorbs the operations of People Express and New York Air.

The takeover was announced some time ago. Texas Air also owns Eastern Air Lines, but that company will continue to operate under its own name.

The merger will immediately mean a big increase in Continental's transatlantic operations, with an application for a route from Newark, New Jersey, to Paris, from April 15, and increased flights on the existing People Express Newark to Gatwick route.

An introductory two-for-one fare will be offered in first class and business class on the latter route.

Continental flies between London and Houston, Texas, and is due to start London-Denver flights this summer. It will start flights to Ottawa

and Montreal and expand US domestic operations.

The takeover of People Express and New York Air means Continental will have 312 aircraft serving 109 US airports and 34 international destinations in the UK, Mexico, Canada, the South Pacific and Japan. It will employ 24,000.

System-wide, Continental will operate about 1,500 flights daily, with major US hubs at Denver, Houston, Newark and Washington's Dulles International airport. Until now Newark has been the hub for People Express-Dulles; has been the main operating base for New York Air.

Mr Lorenzo, Texas Air and Continental Chairman, said the merger was "the best news for consumers since deregulation. Now, more than ever, Continental remained committed to assuring consumers of the lowest fares possible for a full-service product."

Mr Tom Plaskett, Continental's president and chief executive officer, said that, "while the industry

may have fewer carriers in number, the ones that survive will be larger and stronger, like Continental."

"The big carriers will be going at each other head-to-head, hub-to-hub, all across the country, and that means that service and price competition will continue to be a way of life."

Mr Richard Havers, Continental's regional vice president, Europe, said: "Passengers used to travelling with People Express between London and New York will find that Continental is like-minded in terms of offering the most competitive fares in the market place."

Continental's low-fare transatlantic operations would increase comfort in economy class, by reducing the number of seats to give a between-seat distance of 36 inches, the longest on the North Atlantic in that class.

In addition to Eastern, People Express and New York Air, Texas Air owns Rocky Mountain Airways.

Sharp fall in Mellon earnings

By William Hall in New York

MELLON BANK Corporation, the Pittsburgh-based banking group whose performance has been lacklustre in recent years, yesterday upset Wall Street by reporting a sharp drop in fourth-quarter earnings because of the need to strengthen its loan loss reserves.

The group estimated that its earnings in the fourth quarter would be \$16m, or \$0.42 a share, compared with \$45m, or \$1.57, in the same period of the previous year. For the full year, Mellon earned \$183m, or \$6.20 per share, compared with \$202m, or \$7.13, the year before.

Although Mellon has grown rapidly in recent years following the 1983 acquisition of the Girard company, its earnings performance has been erratic and the group earned no more in 1986 than it did in 1983. Its performance contrasts with other regional banks, such as the Atlanta-based Suntrust Bank which yesterday reported a 13.2 per cent rise in 1986 net income to \$245.1m and smaller money centre banks, like the New York-based Irving Bank Corporation, which yesterday announced a 10.5 per cent rise in its 1986 net income to \$128.1m.

On Wall Street, Mellon's shares fell by 5% to \$54 in early trading yesterday. Mr J. David Barnes, Mellon's chief executive, said that the fourth-quarter results reflect "management actions to further strengthen loan loss reserves and realign the corporation's international banking activities."

These decisions resulted in sharply higher provision for possible credit losses and non-recurring international charges.

The fourth-quarter provision of \$68m includes \$43m to increase Mellon's reserve for possible credit losses and \$55m of net credit losses, mainly on domestic commercial loans. The action has boosted the group's reserve for credit losses to \$494m at end-December, or 2.1 per cent of total loans.

Non-performing loans totalled \$92m or 3.94 per cent of the total, at end-December 1986. Property acquired in connection with loan settlements totalled \$178m.

The fourth-quarter figures include a \$9m charge to cover the assignment of Mellon's international banking activities.

Air Canada 'ready for privatisation this year'

By Robert Gibbens in Montreal

AIR CANADA is ready to commit itself to private-sector ownership later this year and to issue stock in 1988, according to Mr Claude Taylor, the national airline's chairman.

The Government of Mr Brian Mulroney, Prime Minister, is committed to privatising Air Canada, a state-owned corporation, following changes in transportation legislation that does away with most of the regulatory role of the Canadian Transport Commission. Air Canada's management has been conducting studies for the past six months on privatisation methods.

Mr Taylor said the Government might commit itself to the privatisation of Petro-Canada, the national oil company, later this year. Once this is done, taking Air Canada public should follow. Whether Petro-Canada can be sold to the public before the next general election, expected in 1988, is not clear.

Air Canada will make a major restructuring of its capital, and some existing debt will be converted to equity. Mr Taylor said the method of privatisation will broadly follow that chosen for British Airways. The Government has said it will not inject any more capital into Air Canada before privatisation.

Mr Taylor said Air Canada has already cut costs and improved efficiency significantly, helping it to benefit from strong international traffic in the last half of 1986. The corporation's third-quarter profit was C\$36.8m (\$41.4) and C\$13.7m for the nine months.

One of Canada's fastest-growing holding companies, is buying Puroletair Courier, the Canadian arm of the US Puroletair Courier Corporation, for C\$238m. Puroletair Canada has been more successful than its US parent and in 1986 had pre-tax profits of C\$38m on volume of C\$98m. It is the market leader in Canada.

Onex will have annual sales of C\$1.5bn after the deal. It already owns an airline meals contractor, a major car manufacturing business and a liquid fertiliser manufacturer in the US.

The Laurentian group, the Montreal-based financial services company which owns Trident Insurance in Britain, is buying Omega Insurance company of Seattle through its publicly quoted holding company. Omega specialises in marine insurance and has statutory assets of nearly C\$20m.

Leyland Bus sold for £4m to consortium

By Kenneth Gooding

A CONSORTIUM of management and banks yesterday paid £4m cash to buy Leyland Bus from Rover Group, the state-owned vehicle maker.

The deal differed substantially from the plan announced last year for the consortium to pay £11.7m for a package which would have also included a one-third shareholding in Leyland Parts, Rover's truck and bus spare parts distribution business.

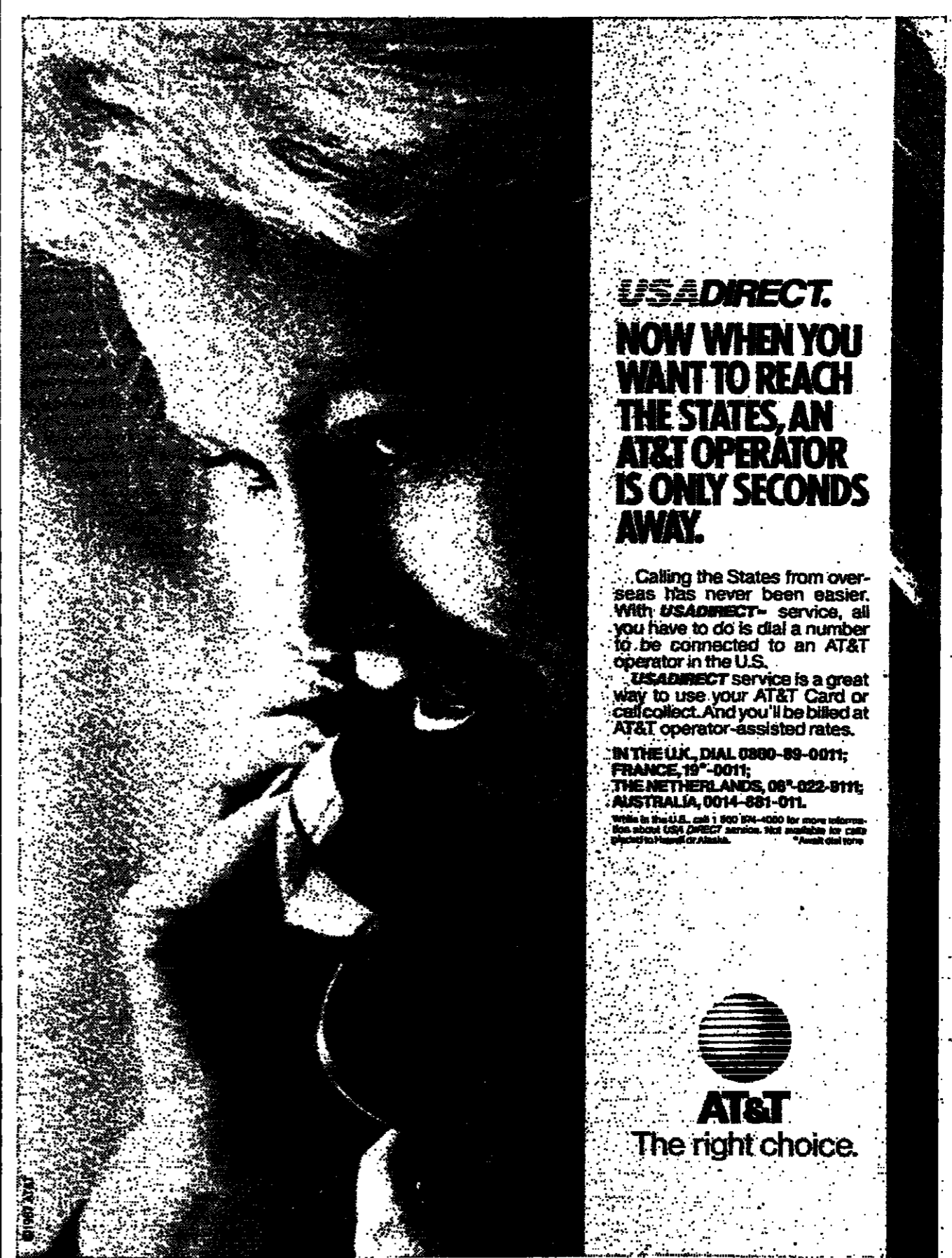
Instead, it has been mutually agreed that Leyland Parts will remain with Leyland Trucks, though it has contracted to continue to distribute parts for Leyland Bus.

The 1,950 remaining employees of Leyland Bus will be offered 18.1 per cent of the issued capital.

The employee share package will be put together without the help of Unity Trust, the trade union bank, which had been expected to be involved.

The consortium, including Bankers Trust as lead bank and the Bank of Scotland, now own 72 per cent of Leyland Bus.

A 12 per cent stake is being held in reserve for other potential shareholders.



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and as dealer manager of its tender offer.

LAZARD FRÈRES & CO.

December 18, 1986

Norsk Hydro
warns on
resultsBy Kevin Done, Nordic
Correspondent in Stockholm

NORSK HYDRO, Norway's largest publicly quoted company, warned yesterday that its results for 1986 had deteriorated even more than feared as late as October last year.

The energy, chemicals and metals group has been hit hard by the collapse in the oil price as well as weak demand and declining prices in the international fertilizer market, where the group is now the leading producer in Europe.

Its results for the full year will be published in mid-February, but the company said yesterday that it would be "considerably weaker than we expected at the end of the third quarter."

In the first nine months of the year pre-tax profits slumped to Nkr 1,490m (\$204m) from Nkr 4,480m a year earlier while in the third quarter alone profits collapsed to only Nkr 165m from Nkr 1,085m a year earlier.

Mr Finn Hviistendahl, finance director, said yesterday: "In the last half-year fertilizer sales in Europe have been very disappointing, and this had led to losses in several countries."

Italian investor bids
for Europrogramme

BY ALAN FRIEDMAN IN MILAN

MR RENATO BOCCHI, a Rome-based property investor, last night appeared set to take control of Europrogramme, the Lugano-based property unit trust which was founded by Mr Orazio Bagnasco, the Italian property developer who resigned last year from the fund amid allegations of impropriety.

Mr Bocchi has concluded a deal with IF-Interinvest, the Lugano company which manages the 1,700m (\$224m) of property assets in Italy.

Under the arrangement, which requires the approval of the Italian Treasury, Mr Bocchi is to pay L4bn for an option to take over Europrogramme assets during the next six months.

Mr Bocchi plans to offer Europrogramme's long-suffering 75,000 shareholders the right to convert their certificates into shares in Bocchi, his own holding company which is quoted on the Milan bourse.

Each Europrogramme saver who opts for the solution will receive the equivalent value in Bocchi shares.

Mr Bocchi would then give IF-Interinvest at least 50 per cent of the original unquoted certificates in

Europrogramme as payment, with a promise to pay the balance in cash within the next five years.

The Swiss authorities have decreed that the unquoted Europrogramme certificates must be redeemed within five years. This arrangement would allow Mr Bocchi, who also owns the Lazio football team in Rome, to take effective control of Europrogramme without making any initial cash payment.

The Bocchi deal has been organised by Sige, the merchant banking arm of the state-owned IMI medium-term corporate finance institute.

Europrogramme was hit three years ago by the slump in Italy's property market, and the value of the fund (and the share certificates in turn) dropped by 30 per cent, from L1,000m to L700m.

Shareholders in Europrogramme demanded redemptions, and when Mr Bagnasco refused because he did not have sufficient liquidity, many started legal actions, which included investigations of Mr Bagnasco in Milan and Lugano.

Mr Bagnasco resigned last year from Europrogramme and sold off his Ciga luxury hotel chain in Italy to the Aga Khan.

GM sells
bus-making
division to
Greyhound

By Our New York Staff

GENERAL MOTORS has agreed to sell its bus manufacturing operations to Greyhound Corporation, the Phoenix-based financial and manufacturing conglomerate.

The GM bus divisions, which employ about 900 workers in the US and Canada, are among the leading American manufacturers of municipal public transport buses. Greyhound, which recently announced that it was divesting itself of its best-known subsidiary, the Greyhound Bus Lines inter-city transport operation, is the largest US manufacturer of long-distance buses.

The deal with GM implies that Greyhound plans to stay in the bus manufacturing business, despite the loss of the captive market provided by the Bus Lines. It also underlines the highly pragmatic strategy of Mr John Teets, Greyhound's chairman, who decided to pull out of long-distance transport when the Amalgamated Transit Union rejected his demand for sweeping wage concessions.

Mr Teets last month sold the Bus Lines for \$350m to Mr Fred Curry, a Dallas businessman, who has since announced plans to expand the bus network by hiring non-union labour and is expected to remain a major customer for Greyhound's bus manufacturing operation.

For GM, the sale of the bus business results from a decision announced last summer to pull out of heavy truck and bus building. At the time, GM said that its heavy truck and bus operations accounted for a small proportion of its revenues and profits, but no further financial details of the transaction with Greyhound were available.

International Paper lifts
earnings to \$113m

BY JAMES BUCHAN IN NEW YORK

INTERNATIONAL PAPER, the world's largest paper maker, yesterday reported a sharp increase in fourth-quarter earnings from \$44m to \$113m. Revenues rose 73 per cent to \$1.9bn in the quarter, but these included about \$600m in sales from a new premium paper subsidiary, Hammermill Paper.

US paper companies have experienced a dramatic improvement in profitability over the past nine months because of a stronger market, a weaker dollar and cost reductions. International Paper's pre-interest earnings for the fourth quarter grew almost eight-fold, from \$22m to \$162m.

But foreshadowing what is bound to be a confusing reporting season, International Paper's quarterly earnings of \$2.13 a share, as against 77 cents a share in 1985, are distorted by a number of non-recurring gains and charges. These led to a net pre-tax gain of \$53m, against \$44m in 1985.

The latest quarterly results include a net \$10m pre-tax gain on the sale of International Paper's New York headquarters, an \$11m pre-tax

increase from a change in pension accounting and a \$20m charge to recognize changes in income tax liability as a result of the new tax reform act.

Last year's results were depressed by a \$12m provision for plant closures.

In addition, International Paper took a pre-tax gain of \$32m on the sale of units in a timberlands limited partnership, as against \$56m in 1985.

Earnings for the full year were \$355m, or \$5.79 a share, on sales of \$5.5bn, compared with \$133m, or \$2.16, on sales of \$4.5bn.

Mr John Georges, chairman and chief executive of International Paper, said he expected further earnings improvements this year.

The reduction in the dollar's value has strengthened our export volumes and pricing. The continued growth in the domestic economy has led to excellent demand and improved pricing for most of our major product lines.

A continued programme to reduce costs and lower energy charges also contributed to the 1986 earnings increase.

Union Carbide
in move to buy
French group

By George Graham in Paris

UNION CARBIDE is to bid for the French industrial gases group Dufour et Igou.

Dufour's shares were suspended at FFf 856 (\$135), valuing the company at FFf 114m, after the US group's French subsidiary had announced its intention of making the bid.

The purchase would boost Union Carbide France's turnover by around 25 per cent and nearly triple its activity in the industrial gases sector, where Dufour has embarked on a heavy investment programme.

The French company is expanding the liquid nitrogen and oxygen capacity at Fabriques d'Oxygène du Sud-Ouest Réunies, its joint venture with Air Liquide near Bordeaux.

Consolidated turnover at Dufour reached FFf 365m in 1985.

The main shareholders in Dufour are Irli Midi-Pyrénées, with 29 per cent, and Sociedad Española de Carburos Metalicos with 15.5 per cent, which together took over in 1984 the stake previously held by Pechiney. Family interests are understood to control another 20 per cent.

OCE earnings
grow by 9%

OCE, the Dutch copier group, lifted net earnings for the year ended November 1986 by 9 per cent to around Fl 18m (\$36.8m).

Sales fell 4 per cent to Fl 19bn, mainly due to currency fluctuations. Excluding the exchange rate factor.

Oce's board considers the results "satisfactory." However, it warns that the growth of net profit in 1987 could be lessened by costs involved in new product launches, expansion of US activities and further currency movements.

NOTICE OF PREPAYMENT

THE FUJI BANK, LIMITED

(Incorporated with limited liability in Japan)

US\$30,000,000

Callable Negotiable Floating Rate
Certificate of Deposit

Issued on 19th February, 1986, maturing 22nd February, 1988, callable in February, 1987.

Notice is hereby given in accordance with the conditions of the above Certificate of Deposit (the "Certificate"), as printed on the reverse of the Certificate, that The Fuji Bank, Limited (the "Bank") will prepay all the outstanding Certificates on 20th February, 1987 (the "Prepayment Date") at their principal amount.

Payment of the principal amount, together with accrued interest to the Prepayment Date, will be made on the Prepayment Date against presentation and surrender of the Certificate at the London Branch of the Bank at 25/31 Moorgate, London, EC2R 6HQ.

Interest will cease to accrue on the Certificates on the Prepayment Date.

CHEMICAL BANK INTERNATIONAL LIMITED

Agent Bank

Dated: 14th January, 1987

NOTICE OF PREPAYMENT

THE SANWA BANK, LIMITED

(Incorporated with limited liability in Japan)

US\$15,000,000

Callable Negotiable Floating Rate
Certificate of Deposit

Issued on 15th February, 1986, maturing 18th February, 1988, callable in February, 1987.

Notice is hereby given in accordance with the conditions of the above Certificate of Deposit (the "Certificate"), as printed on the reverse of the Certificate, that The Sanwa Bank, Limited (the "Bank") will prepay all the outstanding Certificates on 18th February, 1987 (the "Prepayment Date") at their principal amount.

Payment of the principal amount, together with accrued interest to the Prepayment Date, will be made on the Prepayment Date against presentation and surrender of the Certificate at the London Branch of the Bank at Commercial Union Building, 1 Undershaft, London, EC3A 8LA.

Interest will cease to accrue on the Certificates on the Prepayment Date.

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These securities having been sold, this announcement appears as a matter of record only.



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December 1986

UK COMPANY NEWS

Sturge over forecast with 29% expansion

By Nick Bunker, Insurance Correspondent

Sturge Holdings, the biggest independent underwriting agent at Lloyd's of London, overtook its own earnings forecast last year with pre-tax profits up 29 per cent at £5.5m (£7.36m). The results were "very satisfactory" said Mr David Cole-ridge, Sturge's chairman. They were achieved in spite of the generally poor results reported at Lloyd's for 1986, the last period underwriters have now closed their accounts, he added. Sturge is now proposing a bonus issue to shareholders of one share for every three held by people on the register at the close of business on March 8 1987. The company's shares closed unchanged last night at 474p.

Sturge said profits after tax

managed by the group. As a result, they produced no profit commission for Sturge.

"This was more than compensated by increased profit commission on the group's other syndicates," he added. "Underwriting agency salaries earned on increased premium income capacity provided a further uplift in income of more than £1.5m."

Sturge acts as an underwriting members' agent, looking after the affairs of some 1,928 underwriting members of the Lloyd's market. It also manages 15 syndicates with a total gross premium capacity of £1.6m, or about 10 per cent of the whole market.

See Lex

Orchid postpones USM quotation

ORCHID TECHNOLOGY, a California-based designer and manufacturer of personal computer accessories, yesterday postponed its flotation on the Unlisted Securities Market minutes before a scheduled press conference to announce the launch.

Sponsors Phillips & Drew said the reason for the delay was "technical difficulties" but refused to elaborate on the nature of the difficulties or the likely period of postponement.

Orchid is the third US company in recent months to run into difficulties with its USM float.

In November, TM Duche Nut Company withdrew its plans for a quotation because of lack of institutional support. The following month SFM, a stationary manufacturer, pulled its offer for sale out of the new issues queue because it could not complete the flotation by the end of the year and thereby avoid new US capital gains tax provisions. Unlike the other two companies, Orchid plans to make another attempt at a quotation. In the year to June 30, 1986, it made profits of \$1.78m (£1.19m) on turnover of \$11.12m. Its market capitalisation was likely to have been about \$28m.

HunterPrint lifts profits to £3.2m

IN THE year in which it has gained a full Stock Exchange listing the HunterPrint Group has reported record pre-tax profits of £3.21m against £2.35m previously. Sales rose 20 per cent from £47.5m to £57.18m for the year ending September 28, 1986.

The group has reorganised its structure into four divisions: special products, business forms, financial printing and commercial printing.

The latter division contributed £27m, 87 per cent of total group sales. It increased sales at home and abroad. Large contracts won by the division included the corporate brochures for the flotation of British Gas and the TSB.

Two acquisitions have taken the group into the financial printing market. These were the Galbraith King Group in May and Security Holdings after the financial year end. HunterPrint is hopeful about the prospects for this division in the light of the Government's privatisation policy and the promotion of financial services.

Earnings per share were up 14 per cent to 29.14p (25.52p).

Comment

At the time of the Security Holdings purchase in October, HunterPrint forecast that pre-tax profits would hit £3.1m, so these figures were no great surprise to the market. Even so,

WYKO GROUP PLC

Worldwide distributors of bearings and power transmission components; manufacturers and dealers in equipment for energy, metalworking and other industries.

Interim Results

- Group turnover improved compared with same period last year.
- Unchanged interim dividend.
- UK Distribution: One new branch opened with two further planned for the next six months.
- Manufacturing: Improved results but order intake below expectations.
- International: Overseas operations continue to make progress.

Half year to October 31st

	1986	1985
Turnover	£'000	£'000
Pre-tax profit	16,552	15,530
Earnings per share	904	1,011
Interim dividend	3.1p	3.3p
	1.1p	1.1p

Copies of the interim report of the company can be obtained from The Company Secretary, Wyko Group PLC, Dudley, West Midlands DY1 1QW.

Barrow offer extended

By Clay Harris

YULE CATTO yesterday extended its offer for Barrow Hepburn until February 2 after receiving acceptance for 2.67 per cent of shares in the chemicals and engineering group. The diversified plantations, chemicals and building products company said the acceptance indicated "an encouraging level of support" for the £17.3m bid at this stage.

With its own holding, Yule Catto now controls 5.33 per cent of Barrow, which yesterday described the level of acceptance as a total rebuff of the offer.

Barrow shares slipped 4p to 61p but were still above the 52p value of the cash and redeemable preference share offer. Yule Catto shares rose 14p to 275p.

Shield Group

Shield Group, the north London property developer which came to the USM last July, returned profits of £875,000 pre-tax for the six months ended September 30 1986 and is paying an interim dividend of 1p, slightly ahead of the prospectus forecast.

Turnover for the half year totalled £3.5m.

Turnover for the 1985-86 year totalled £5.87m and pre-tax profits amounted to £681,000.

Trillion advances 26%

Trillion, the USM-quoted broadcasting and television production company, has reported a 26 per cent increase in pre-tax profits for the year to the end of September 1986 from \$733,501 to \$926,315.

Mr W. A. Hope, chairman, described the year as exciting. Not only had all divisions performed well but there had been very strong and controlled growth. During the period Trillion acquired Limehouse Studios, independent production company and three distribution companies.

Turnover rose by 32 per cent to \$9.58m (£7.28m). Earnings per 10p share were affected by the shares issued for the acquisitions and came out down at 6.3p (8.9p). The proposed final payment has been increased to 0.7p (0.3p) which followed its first interim of 0.4p.

Following the year end the company acquired Viewplan. Mr Hope said it would be the end of the present year before the benefits of the acquisitions would be seen.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div year	Total for last year	Total for year
Hunterprint Grp.	5.0	—	3.2	7	4.7
Fleming Overseas Int.	1	Mar 24	—	—	2.75
London & Clydeside	4.1	Feb 24	3.9	5.7	5.6
Newman Tonks	4.2	Apr 2	3.85	7.2	5.5
Palmerston Int. Ltd.	2	—	1	—	5
Shield Group	1.1	Feb 20	—	—	—
Sturge Holdings	5	Apr 2	4	8	6
TV South	7.1	Apr 2	—	—	8
Westpool Int.	0.85	May 7	0.94	10	1.5
Whewy	0.5	Apr 2	all	0.5	nil
Wyko Group	1.1	Apr 9	1.1	—	2.6

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

BOARD MEETINGS

TODAY		Kauai		Jan 16
Interim: ASDA-MPL, Sidney C.	Jan 22	K&S International	Jan 22	
Banks, Bepak, Caltex, Naven, Duxons,	Jan 27	Mangrove Copper Mines	Jan 27	
Gold Fields Property, Howden Group,	Jan 28	Metals Electronics	Jan 28	
Multibank Electronics, New Winebrand,	Jan 29	Park Food	Jan 29	
Parkfield, Staud and Simpson,	Jan 28	Smith (W. H.)	Jan 28	
Flinders, Acacia and Hutchinson, M & G	Jan 29	St. John's	Jan 29	
Dual Trust, Southern Business, Y35	Feb 2	Teardrop Jersey	Feb 2	
Channel Islands.	Jan 19	Wetlands	Jan 19	
FUTURE DATES		Pacifi		
Interim:	Jan 29	Allied Textile	Jan 29	
Armour Trust	Jan 16	AS&A	Feb 19	
Atlantic Assets	Jan 22	B&S	Mar 22	
Atlantic Television	Jan 28	Low and Bonar	Mar 9	
Davy Corporation	Jan 21	Microgen	Jan 21	
Harrison Industries	Jan 29	Microgen	Jan 21	
Horizon Group	Feb 17	Y Amended.	Jan 27	

Problems facing Whittaker if he wins fight for MSCC

BY IAN HAMILTON FAZEY, NORTHERN CORRESPONDENT

SHARP DIFFERENCES emerged yesterday about what Mr John Whittaker will be able to do with the Manchester Ship Canal Company if, as seems likely, his textiles group, Highams, wins the takeover battle for the canal.

Highams' offer closes today. The company is a statutory one with obligations over drainage and navigation. It has no memorandum or articles of Association but is governed by several acts of Parliament, dating from 1945.

For example, the legislation covers things like the numbers of shares — 4m each of Preference and Ordinary — and caps the total dividend payable to all Preference shareholders at £200,000. Mr Whittaker was yesterday claiming 80 per cent of the Preference and 35 per cent of the Ordinary shares.

Changing many aspects of the company would require an Act of Parliament — but would it need a simple majority to promote the necessary Bill, or would Mr Whittaker have to get 75 per cent of the equity

with him? Mr Nicholas Berry, MSCC chairman and leader of the defence against the Highams bid, says that his legal advice is that a 75 per cent majority would be needed under Parliamentary standing orders.

This would hamstring Mr Whittaker in areas such as financial reconstruction of the MSCC, altering shareholders' rights, issuing new shares, and liquidation, or closure of the loss-making stretches of the waterway, if he could not win support of Mr Berry, a major shareholder, and his institutional allies, such as Globe Investment Trust.

But Mr Whittaker's advice is that there is no mention of a 75 per cent majority being needed in acts of Parliament governing the canal and that 51 per cent would be enough.

Moreover, he expects to have at least 60 per cent of the total equity before today is out. He says that by breaking this down among nominees — voting is weighted to smaller shareholders — he could convert this into 75 per cent of available

votes and obtain the larger majority anyway.

Mr Berry's legal advisers say this is irrelevant. If the 75 per cent figure is correct for promoting a Bill under Parliamentary standing orders, it applies to a general meeting of the capital without regard to weighted voting rights.

Mr Berry's advice is that the weighted rights would come into their own if Mr Whittaker wanted to attempt a scheme of arrangement or reconstruction under Section 425 of the Companies Act.

However, court approval would also be needed and if the minority shareholders did not agree, they could apply to the court for protection.

BROWN SHIPLEY HOLDINGS has completed the acquisition of Stirling Hendry & Co., stockbrokers with offices in Glasgow and Dundee. Prior to the acquisition, the partners of the firm of Stirling Hendry formed a new unlimited company which Brown Shipley has acquired. Consideration is about £4m, payable in cash, shares and loan notes.

Increased bid for Burns Anderson

By Clay Harris

Burns Anderson shares yesterday failed to keep pace with an increased bid from Dudley, a private company owned by two west Midlands property developers.

Adding 2p to 115p in the market, the shares fell short of Dudley's final 115p cash offer, which puts a 22.5m price on the diversified flat retailer and financial services group.

By the second closing date of Dudley's original 103.5p offer, acceptances had been received representing only 6.45 per cent of shares, although Dudley and an associate controlled a total of 18.79 per cent.

Burns last night was preparing to study the new bid which is open until January 30.

MANDERS (HOLDINGS) is buying Plastics & Resins, based in Wolverhampton for a consideration, which is partly performance-related and not expected to exceed £150,000.

Sales problems hit London & Clydeside

SCOTTISH housebuilder and property developer, London and Clydeside Holdings made pre-tax profits of £1.74m in the year to September 30 1986, up from £1.65m previously.

Mr Norman Chalmers, chairman of the USM quoted group, said the results were held back by a difficult sales market in Aberdeen, but this was offset partly by strong sales in central Scotland. Group turnover in the period rose 29 per cent from £12.44m to £16.06m.

Exceptional items relating to abortive costs incurred in researching potential acquisitions rose to £61,000 (£28,000). The tax charge was also up from £89,000 previously, aided by tax credits to £730,000.

The final dividend is being raised to 4p (3.5p), making 5.7p (5.5p) net for the year.

The present year did not get off to a strong start. Mr Chalmers said unit sales were below expectations so far. The position had been aggravated by planning delays.

comment

Boom-time is over for oil towns like Aberdeen and that is bad news for London & Clydeside, which has around 15 per cent

Marling rights

Marling Industries' rights issue received in respect of 3.08m shares (88.46 per cent). The remainder has been sold in the market and the net proceeds, subject to a 25 minimum per holding, will be distributed pro rata to provisional allottees.

Ladbroke property man

At LADBROKE GROUP Mr Anthony G. Long has been appointed head of property finance. Reporting directly to the group chairman, this newly-created post reflects the importance of property activities in the group. Mr Long joined Ladbroke in 1975 and is currently joint managing director of Ladbroke City & County Land, the group's retail property arm. On his new appointment he relinquishes his operational role in City & County but remains a director.

WARMAN INTERNATIONAL, Todmorden, has appointed Mr P. A. (Tony) Wheeler as marketing director. He was previously with Goodwin International. Warman International is a wholly-owned subsidiary of Peko-Wallend, Sydney, Australia.

Mr Angus Cairns has been appointed managing director of EASAMS. He has worked for other GEC companies including Marconi Underwater Systems, where he was general manager of the Crossley MUI, Watford Unit.

Mr Derek Prydzard, formerly a deputy general manager with Mercantile Credit in the north-west, has joined the Chester-based EASAMS STEWARD GROUP as chairman. This follows last July's resignation of Mr John Harcourt. Mr John Durnan has also joined the group, merging his established A.C. pensions brokerage with Harcourt Steward Financial Management.

Mr Stephen Otterburn has been appointed finance director to the board of TULLETT & TOKYO FOREX INTERNATIONAL. Mr Nick Hoare becomes a director of Tullitt & Tokyo (Currency Deposits) Co. Mr John Siskies is made a director of Tullitt & Tokyo Securities.

At the STRATEGIC PLANNING SOCIETY Mr Adrian Davies has succeeded Mr Peter Beck as chairman. Mr Beck becomes a vice president. Mr Davies is a divisional director and company secretary of International Military Services. Mr Beck was planning director of Shell UK until his retirement in April 1984.

ROBERT H. LOWE has appointed Mr Paul O. Lee as deputy chairman. He joined the board in February 1983 and is a partner with Addleshaw, Sons & Latham. Mr Derek Hill has been appointed chief executive of Robert H. Lowe. He joined the board in January 1984 and has led the executive team since November 1984.

J. HENRY SCHROEDER WAGG & CO. has appointed Mr Richard Gordon as a director. He is currently seconded to Schroeder Securities (Japan) Tokyo branch, where he is general manager, capital markets.

LONDON & EDINBURGH TRUST has appointed Mr G. A. Kaye as assistant director. The following are appointed directors of subsidiary companies: Mr R. E. Wicks (LET Retail); Mr G. N. Tipping (LET Industrial); Mr G. A. Kaye (LET Offices).

At LONDON & CONTINENTAL ADVERTISING HOLDINGS Mr R. E. Groves, Mr J. A. Lawrence, Mr G. E. Lee-Steele, Mr P. R. Sawdy, Mr J. L. Wessner and Dr R. Bright have resigned. Mr C. R. Bollick, Mr N. Cash, Mr C. J. Daniels, Mr A. D. Stark and Mr G. Bailey have been appointed to the board.

Mr Stephen W. Harragan has been appointed a director of GNL. Mr Philip Warner has been appointed a director of CHELSEA & CLOUGHIER BUILDING SOCIETY. He is chairman of Bovis Homes and an executive director of the P & O Group.

Mr F. M. Stormonth-Darling has been appointed a director of the ORION INSURANCE CO. He is also chairman of Mercury Assurance, a member of the Mercury International Group.

At JAMES HALSTEAD GROUP Mr David Lowe has been appointed managing director of Conway Leisure Products, a subsidiary. He was formerly deputy managing director.

Mr Robin Milne has been appointed a director of ASTLEY & PEARCE (EUROCURRENCY DEPOSITS).

GAMING GAZ (GB) has appointed Mr Peter Knibbs to the positions of chairman and managing director. He previously held the appointment of finance director, a position he occupied since becoming a founder director of the company in 1974.

The roofing and insulation division of EVODE GROUP has made three appointments. Mr Keith Branford-White joins Tekurat Insulations from Coolag Furlboard as director of sales. A new director of sales has been appointed at EVODE Roofing. He is Mr Mike Cronin, formerly a member of the sales team at Permanta. Mr Andrew Beattie has been appointed until recently marketing manager at Tekurat Insulations, has taken on additional responsibility as director of marketing for the roofing and insulation division, which also includes EVODE Joint Sealing and British Roof Mart.



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SUMMARY OF RESULTS

FOR THE YEAR ENDED 31st AUGUST 1986

	1986 £000's	1985 £000's
Turnover	42,261	37,864
Profit before taxation	1,293	56
Taxation	(464)	38
Profit after taxation	829	94
Extraordinary items	1,193	(107)
	2,022	(13)
Preference dividend	(209)	(209)
Profit retained	1,813	(222)

KEY POINTS FROM THE REVIEW OF THE CHAIRMAN, MARTIN SHAW, LL.B.

- Earnings per share 29.51p (1985 loss 5.4p)
- Leading position in caravan manufacturing
- New model launches well received by public
- Extraordinary gains of £1.487 million from disposal of two properties
- Elimination of loss-making activities completed

COLONIAL HOUSE, SWINEMOOR LANE, BEVERLEY, NORTH HUMBERSIDE

WEEKEND FT

REPORT

INDEPENDENT SCHOOLS

The Financial Times proposes to publish a report on the above on

SATURDAY 14 MARCH 1987

For details of advertising rates please contact:

Sue Mathieson
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NATIONAL BANK OF CANADA

(A chartered bank governed by the Bank Act of Canada)

U.S.\$50,000,000
Floating Rate Notes due July 1991

In accordance with the provisions of the Notes notice is hereby given that for the six month Interest Period from January 14th 1987 to July 14th 1987 the Notes will carry an Interest Rate of 6.375% per annum. The Coupon amount payable on Notes of U.S.\$5,000 will be \$160.26.

Agent Bank

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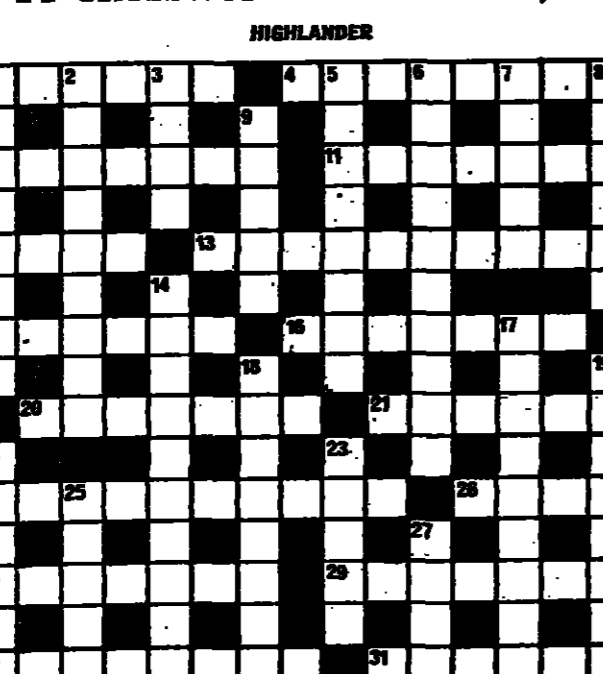
AUTHORISED UNIT TRUSTS

Alley Unit Trust Mgrs. (C) 100 Victoria Road, London E15 4JH Tel: 01-552 7777	Ally Bank Unit Trusts PLC (C) 100 Victoria Road, London E15 4JH Tel: 01-552 7777	Ally Bank Unit Trusts PLC (C) 100 Victoria Road, London E15 4JH Tel: 01-552 7777	Ally Bank Unit Trusts PLC (C) 100 Victoria Road, London E15 4JH Tel: 01-552 7777
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FT CROSSWORD PUZZLE NO 6,226



- ACROSS**
- 1 Move—the jerk is about to do something (6)
 - 4 Timber expert to deal with damaged trees (6)
 - 10 Group of railwaymen have carol service for tenders (7)
 - 11 Strong man in charge but it still went under (7)
 - 12 Boat manufacturer gives no indication of surprise (4)
 - 13 Pip's gone to arrange for delivery by air (6-4)
 - 15 Get down—it's burning (6)
 - 16 Quickly put together a score (7)
 - 20 Run slap into traffic jam (5-2)
 - 21 Small room with bar starting tonight (6)
 - 22 Is 'The Compartment' in many an anthology? (10)
 - 24 Warning notice (4)
 - 26 Head off confusion and bother, use green fruit (7)
 - 29 Show Spanish burning American car—then fade out (4-2-2)
 - 31 Take top off live point (6)
- DOWN**
- 1 Cutter turned back. Was no net seen? (5,3)
 - 2 Poet's chariot race is in the pink (9)
 - 3 Each pupil must have one plant (4)
 - 5 Go further than eccentric American companion (8)
 - 6 Previous board adopted the limit but it's capable of expansion (10)
 - 7 Brown-green light seen in dance halls (5)
 - 8 To repeat engineers are on the spot, as stated (6)
 - 9 Falls over, dropping games once more (6)
 - 14 Bill needs help—he's less authority than a foreman (6, 4)
 - 17 Critique one separating players from crowd (9)
 - 18 Picked beef not available? Make a start on game (5, 3)
 - 19 Flag, as usual (5)
 - 23 The little devil on the wing is a fast-running beast (6)
 - 25 Student body that's split about being employed (2, 3)
 - 26 Rider turned up unconscious in stream (5)
 - 27 Sealant supplied in bulk (4)
- Solution to Puzzle No 6,225**
- ACROSS
1 CUTTER
4 TIMBER
10 RAILWAY
11 STRONG
12 BOAT
13 PIPE
15 DOWN
16 QUICK
20 RUN
21 BAR
22 COMPARTMENT
24 WARNING
26 HEAD
29 SPANISH
31 TAKE
- DOWN
1 CUTTER
2 POET
3 PUPIL
5 GO
6 EXPANSION
7 LIGHT
8 STATE
9 FALLS
14 BILL
17 CRITIQUE
18 BEEF
19 FLAG
23 DEVIL
25 BODY
26 RIDER
27 SEALANT

Royal Heritage Life Assur.—Contd.

[illegible]

Schröder Fin. Mgmt., Int'l.—Contd. and see Western Int. Mgmt. Assoc.—Contd.

[illegible]

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CURRENCIES, MONEY & CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and pound weak

THE DOLLAR fell to its lowest closing level since the 1980-81 period, October 24 1980, without any sign of recovery by the West German Bundesbank to reverse the trend. Dealers were wary of putting very strong downward pressure on the dollar, for fear that European central banks would follow the Bank of Japan, which was reported to have bought a record amount of dollars for a single day in Tokyo, and may have continued to intervene through foreign central banks, including the US Federal Reserve.

Demand for the D-Mark was very strong on suggestions that the German currency will have to be revalued again soon, and that the weekend realignment of the European Monetary System was not big enough.

There were also forecasts in the market that the US trade deficit in December will exceed \$20bn. Following a record shortfall of \$19.2bn in November, the December figure will be announced on January 30.

The dollar fell to DM 1.8750 from DM 1.8800, to SF 2.2475 from SF 2.2500, and to £1.5375 from £1.5400.

On the basis of England figures the dollar index fell to 100.12, the lowest level since January 4 1982.

STERLING—Trading against the dollar in 1986 fell 1.5555 to 1.5375. December average 1.5387. Exchange rate index fell 0.4 to 68.5, compared with 74.8 six months ago.

Starting weakness with the dollar against other major currencies. The cold weather in Europe underpinned North Sea oil prices, but the pound failed to gain much benefit, as demand built up against the D-Mark. Sterling fell to a 5 IN NEW YORK

STERLING INDEX

Jan 13	Jan 12	Previous
2.30 am	68.5	68.5
9.00 am	68.5	68.5
12.00 pm	68.5	68.5
3.00 pm	68.5	68.5
4.00 pm	68.5	68.5

CURRENCY RATES

Jan 13	Jan 12	Previous
US Dollar	1.8750	1.8800
Swiss Franc	2.2475	2.2500
Japanese Yen	160.00	160.00
Deutsche Mark	1.8750	1.8800
French Franc	6.55	6.55
Italian Lira	2036	2036
Spanish Peseta	166.64	166.64
Portuguese Escudo	200.48	200.48
Belgian Franc	36.36	36.36
Dutch Guilder	3.76	3.76
Australian Dollar	1.5375	1.5400
New Zealand Dollar	1.5375	1.5400
South African Rand	1.5375	1.5400
South Korean Won	200.00	200.00
Thai Baht	50.00	50.00
Indonesian Rupiah	1600.00	1600.00
Singapore Dollar	1.5375	1.5400
Malaysian Ringgit	1.5375	1.5400
Philippine Peso	50.00	50.00
Chinese Yuan	8.00	8.00
Indian Rupee	40.00	40.00
Pakistani Rupee	100.00	100.00
Burmese Kyat	100.00	100.00
Myanmar Kyat	100.00	100.00
Laotian Kip	100.00	100.00
Vietnamese Dong	100.00	100.00
Cambodian Riel	100.00	100.00
Siamese Baht	100.00	100.00
Thai Baht	50.00	50.00
Indonesian Rupiah	1600.00	1600.00
Singapore Dollar	1.5375	1.5400
Malaysian Ringgit	1.5375	1.5400
Philippine Peso	50.00	50.00
Chinese Yuan	8.00	8.00
Indian Rupee	40.00	40.00
Pakistani Rupee	100.00	100.00
Burmese Kyat	100.00	100.00
Myanmar Kyat	100.00	100.00
Laotian Kip	100.00	100.00
Vietnamese Dong	100.00	100.00
Cambodian Riel	100.00	100.00
Siamese Baht	100.00	100.00

CURRENCY MOVEMENTS

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Pakistani Rupee	100.00	100.00
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Myanmar Kyat	100.00	100.00
Laotian Kip	100.00	100.00
Vietnamese Dong	100.00	100.00
Cambodian Riel	100.00	100.00
Siamese Baht	100.00	100.00

OTHER CURRENCIES

Jan 13	Jan 12	Previous
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Japanese Yen	160.00	160.00
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French Franc	6.55	6.55
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Pakistani Rupee	100.00	100.00
Burmese Kyat	100.00	100.00
Myanmar Kyat	100.00	100.00
Laotian Kip	100.00	100.00
Vietnamese Dong	100.00	100.00
Cambodian Riel	100.00	100.00
Siamese Baht	100.00	100.00

EXCHANGE CROSS RATES

Jan 13	Jan 12	Previous
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Swiss Franc	2.2475	2.2500
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Vietnamese Dong	100.00	100.00
Cambodian Riel	100.00	100.00
Siamese Baht	100.00	100.00

UK rates steady

INTEREST RATES were little changed in London yesterday. Some rates may have shifted a sixth of a point earlier in the day, helped by firm oil prices but sterling's decline during the day to a record low against the D-Mark prevented any development of earlier ideas about the possibility of lower rates.

Three-month interbank money was quoted at 11 1/2-10 1/2 per cent, unchanged from Monday. Overnight money opened at 11 1/2-10 1/2 per cent and ended at 10 1/2-9 1/2 per cent before climbing to 12 per cent.

UK clearing bank base lending rate 11 per cent since October 15.

UK clearing bank base

The Bank of England forecast a shortage of around £100m with factors affecting the market including Treasury bills together draining £220m and banks' balances brought forward £50m below target. These were partly offset by Exchange transactions which added £50m and a fall in the note circulation of £100m. The shortage was revised to £150m and the Bank gave assistance in the morning of £200m through outright purchases of £120m of eligible bank bills in band 2 at 10 1/2 per cent, £50m in band 3 at 10 1/2 per cent and £30m in band 4 at 10 1/2 per cent.

The Bank gave additional assistance in the afternoon of £45m comprising outright purchases of £50m of local authority bills and £40m of

FT LONDON INTERBANK FIDING

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Pakistani Rupee	100.00	100.00
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NEW YORK

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Vietnamese Dong	100.00	100.00
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LONDON MONEY RATES

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Burmese Kyat	100.00	100.00
Myanmar Kyat	100.00	100.00
Laotian Kip	100.00	100.00
Vietnamese Dong	100.00	100.00
Cambodian Riel	100.00	100.00
Siamese Baht	100.00	100.00

FT LONDON INTERBANK FIDING

Jan 13	Jan 12	Previous
US Dollar	1.8750	1.8800
Swiss Franc	2.2475	2.2500
Japanese Yen	160.00	160.00
Deutsche Mark	1.8750	1.8800
French Franc	6.55	6.55
Italian Lira	2036	2036
Spanish Peseta	166.64	166.64
Portuguese Escudo	200.48	200.48
Belgian Franc	36.36	36.36
Dutch Guilder	3.76	3.76
Australian Dollar	1.5375	1.5400
New Zealand Dollar	1.5375	1.5400
South African Rand	1.5375	1.5400
South Korean Won	200.00	200.00
Thai Baht	50.00	50.00
Indonesian Rupiah	1600.00	1600.00
Singapore Dollar	1.5375	1.5400
Malaysian Ringgit	1.5375	1.5400
Philippine Peso	50.00	50.00
Chinese Yuan	8.00	8.00
Indian Rupee	40.00	40.00
Pakistani Rupee	100.00	100.00
Burmese Kyat	100.00	100.00
Myanmar Kyat	100.00	100.00
Laotian Kip	100.00	100.00
Vietnamese Dong	100.00	100.00
Cambodian Riel	100.00	100.00
Siamese Baht	100.00	100.00

NEW YORK

Jan 13	Jan 12	Previous
US Dollar	1.8750	1.8800
Swiss Franc	2.2475	2.2500
Japanese Yen	160.00	160.00
Deutsche Mark	1.8750	1.8800
French Franc	6.55	6.55
Italian Lira	2036	2036
Spanish Peseta	166.64	166.64
Portuguese Escudo	200.48	200.48
Belgian Franc	36.36	36.36
Dutch Guilder	3.76	3.76
Australian Dollar	1.5375	1.5400
New Zealand Dollar	1.5375	1.5400
South African Rand	1.5375	1.5400
South Korean Won	200.00	200.00
Thai Baht	50.	

MINING, TIMBER, ROADS—Cont | DRAPERY & STORES—

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CANADA

Indices

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Nasdaq national market closing prices

Stock	Sales (thd)	High	Low	Last	Chg	Stock	Sales (thd)	High	Low	Last	Chg	Stock	Sales (thd)	High	Low	Last	Chg	Stock	Sales (thd)	High	Low	Last	Chg
Continued from Page 37																							
TrinMed	57 120	230	220	220	-	USW&W	9 108	240	330	350	+	ValRSI	6 370	25	25	25	+	WTIA	11 220	150	15	15	+
TruMed	300 100	170	170	170	-	US&C 108	7 228	240	330	340	+	WalMart	4 430	410	410	410	+	W&M Corp.	8 20	190	180	180	-
TruStar	100 1450	11	10	10	-	US&S 108	15 150	240	330	340	+	W&M Inc.	10 110	100	100	100	-	W&M Ltd.	18 827	445	44	44	-
TruStar	28 900	130	130	130	-	US&F&C 24	15 30	24	24	24	-	W&M	154	515	245	245	-	W&M	154	515	245	245	-
TruStar	100 1450	11	10	10	-	US&F&C 24	15 30	24	24	24	-	W&M	154	515	245	245	-	W&M	154	515	245	245	-
TruStar	100 1450	11	10	10	-	US&F&C 24	15 30	24	24	24	-	W&M	154	515	245	245	-	W&M	154	515	245	245	-
TruStar	100 1450	11	10	10	-	US&F&C 24	15 30	24	24	24	-	W&M	154	515	245	245	-	W&M	154	515	245	245	-
TruStar	100 1450	11	10	10	-	US&F&C 24	15 30	24	24	24	-	W&M	154	515	245	245	-	W&M	154	515	245	245	-
TruStar	100 1450	11	10	10	-	US&F&C 24	15 30	24	24	24	-	W&M	154	515	245	245	-	W&M	154	515	245	245	-
TruStar	100 1450	11	10	10	-	US&F&C 24	15 30	24	24	24	-	W&M	154	515	245	245	-	W&M	154	515	245	245	-
TruStar	100 1450	11	10	10	-	US&F&C 24	15 30	24	24	24	-	W&M	154	515	245	245	-	W&M	154	515	245	245	-
TruStar	100 1450	11	10	10	-	US&F&C 24	15 30	24	24	24	-	W&M	154	515	245	245	-	W&M	154	515	245	245	-
TruStar	100 1450	11	10	10	-	US&F&C 24	15 30	24	24	24	-	W&M	154	515	245	245	-	W&M	154	515	245	245	-
TruStar	100 1450	11	10	10	-	US&F&C 24	15 30	24	24	24	-	W&M	154	515	245	245	-	W&M	154	515	245	245	-
TruStar	100 1450	11	10	10	-	US&F&C 24	15 30	24	24	24	-	W&M	154	515	245	245	-	W&M	154	515	245	245	-
TruStar	100 1450	11	10	10	-	US&F&C 24	15 30	24	24	24	-	W&M	154	515	245	245	-	W&M	154	515	245	245	-
TruStar	100 1450	11	10	10	-	US&F&C 24	15 30	24	24	24	-	W&M	154	515	245	245	-	W&M	154	515	245	245	-
TruStar	100 1450	11	10	10	-	US&F&C 24	15 30	24	24	24	-	W&M	154	515	245	245	-	W&M	154	515	245	245	-
TruStar	100 1450	11	10	10	-	US&F&C 24	15 30	24	24	24	-	W&M	154	515	245	245	-	W&M	154	515	245	245	-
TruStar	100 1450	11	10	10	-	US&F&C																	

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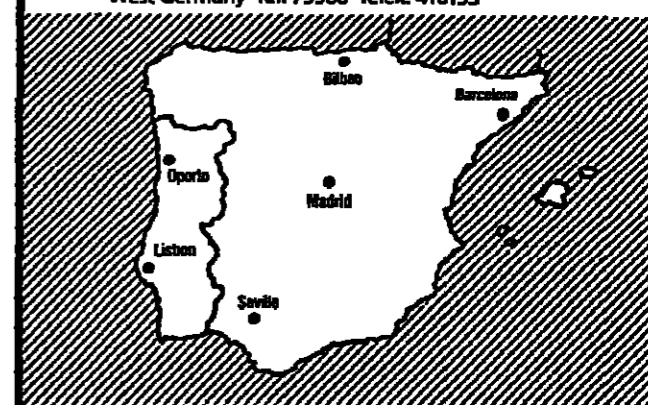
AFRICAN MEDICAL INTL. (hospital management)			BAYLAND NATIONAL Banking		
First quarter	1986-87	1985-86	Fourth quarter	1986	1985
	\$	\$		\$	\$
Revenue	291.8n	265.8n	Revenue	26.3n	19.8n
Net profits	27.7n	22.7n	Net profits	1.2	0.7
Net per share	0.33	0.33	Net per share	0.10n	0.17n
				4.35	4.71
CENTRAL BANCORP/MS SOUTH Banking			NATIONAL CITY Banking		
Fourth quarter	1986	1985	Fourth quarter	1986	1985
	\$	\$		\$	\$
Net profits	6.2n	7.2n	Revenue	3.9	18.8
Net per share	0.44	0.53	Net profits	25.27	21.70
			Net per share	1.25	1.10
	26.5n	30.5n			
McDONNELL & CO airlines & mailroads			PAYLESS CARWAYS Freight services		
Fourth quarter	1986	1985	Fourth quarter	1986-88	1984-85
	\$	\$		\$	\$
Revenue	294n	267n	Revenue	405.6n	378.5n
Net profits	57.6n	50.7n	Net profits	1.50n	1.25n
Net per share	1.05	1.36	Net per share	0.32	0.32
Year	576n	573n	Year	1.50n	1.25n
Net profits	29.7n	27.5n	Net profits	62.35n	38.0n
Net per share	2.46	2.57	Net per share	1.25	1.25

Chief price changes
unless otherwise indicated

LONDON			(All prices unless otherwise indicated)	
RISKS				
BAT Inds.	510	+12	Redfn. Nat. Glass	376 +11
Beecham	463	+10	Thames TV	340 + 0
Stramall (C.D.)	162	+14	Trigon	170 +17
Brit. Gas	694	+ 2½	Ultramar	183 + 6
B.P.	776	+18	Valor	288 + 9
Britoil	189	+ 9½	Whitcroft	278 +22
E.R.F.	90	+ 7	FALLS	
Hunterprint	338	+10	Treas. 11½pc 03-07	£11½- 2½
ICI	£11¼	+ ¼	Exch. 12pc 13-17	£18¼- 1½
LWT	498	+23	Comm. Union	282 - 8
Lifeshall	210	+22	Dixons	336 -13
Lloyds Bk.	496	+14	Heath (C.E.)	447 -11
Oakwood	111	+18	Ladbrooke	388 - 9
P. Knoll A	585	+26	Royal Ins.	854 -14
Plessey	197	+ 7	Vaux	505 -20
			Woolworth	685 -15

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John Rolley
Financial Times (Europe) Ltd
Gueliottelstrasse 54 6000 Frankfurt/Main 1
West Germany Tel: 75980 Telex: 415193



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AMEX COMPOSITE CLOSING PRICES

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